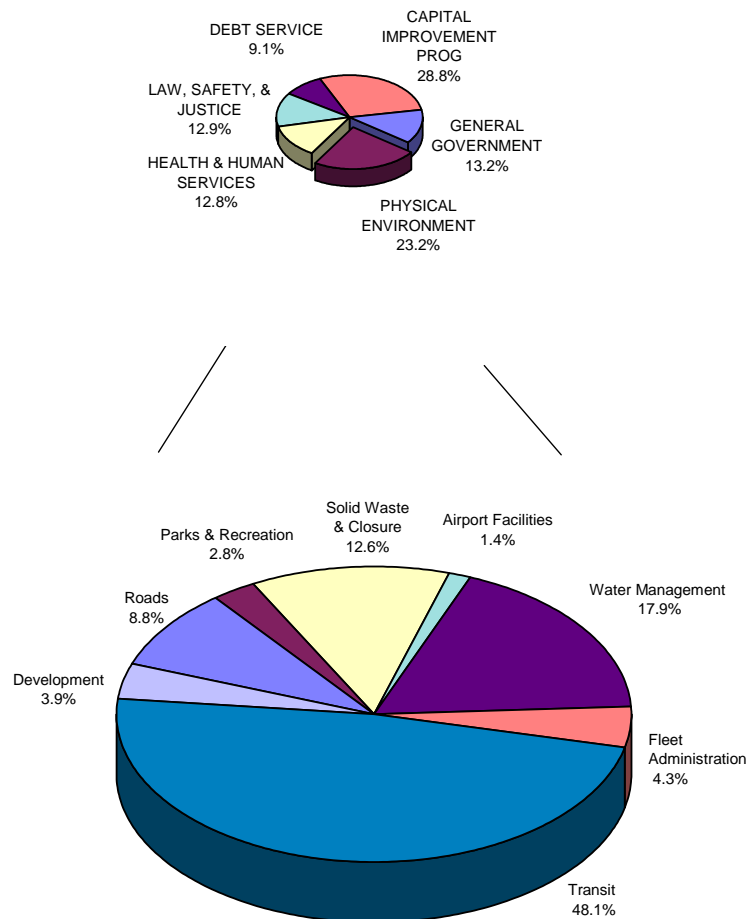


Physical Environment

Physical Environment
\$761 Million



Organization of the Pie Chart: The following agencies were combined to make the pie chart more readable.

Development: Development & Environmental Services

Fleet Administration: Motor Pool Equip Rental, Equipment Repair & Replacement,

Transit Non-Revenue Vehicles, Transit Fleet Replacement, and Water Pollution Control Equipment.

Parks & Recreation: Parks & Recreation, Youth Sports Facilities Grants.

Roads: Roads and Stormwater Decant

Solid Waste & Closure: DNR Admin., Solid Waste, Post-Closure Landfill Maintenance, DNR GIS Management.

Water Management: Intercounty River Improvement, River Improvement, Water & Land Resources (SWM), Wastewater Treatment, Noxious Weeds, and Rural Drainage.

Transit: Transit

Source: Program Plan Summary Page (Found at the end of the section).

PROGRAM EXPLANATIONS

INTRODUCTION

The Physical Environment Program supports all services related to building and land use permitting, community and regional parks, various recreational programs, solid waste disposal, surface water management, wastewater treatment, roads and transit operations. These services are delivered by the Departments of Development and Environmental Services (DDES), Natural Resources and Parks (DNRP), and Transportation (DOT). They are all dedicated to enhancing the quality of life and economic vitality of the Puget Sound region. A summary of each department and its budget highlights follows this introductory section.

The Executive is beginning a pilot project to evaluate the benefits and challenges of biennial budgeting with the presentation of the 2005 Executive Proposed Wastewater Treatment Division budget. RCW 36.40.250 allows the legislative authority of any county to adopt an ordinance providing for biennial budgets with a mid-biennium review and modification for the second year. In November 2003, the voters of King County approved Proposition 1, amending Article 4 of the King County Charter authorizing the Council to adopt ordinances for biennial budgeting.

Before shifting to biennial budgeting it is prudent to undertake a small pilot study, which accomplishes the technical and system changes that will be encountered if the County moves to two year budget cycle. Generally, the objective of the pilot project is to evaluate the processes to assure that the strength of the budget development and oversight process can be maintained while freeing up staff time to devote to the County's business planning, performance measurement work, and other emerging priorities. The specific goals and desirable outcomes of the study are discussed in the Wastewater Treatment Division section.

To date, the Executive has not proposed, nor has the Council adopted, an ordinance authorizing the use of biennial budgeting. For that reason, this pilot budget process does not result in a two year budget ordinance. The 2006 numbers are provided as an example of how a biennial budget process might present the second year in budget documents. The pilot process extends into the 2006 budget cycle to identify the efficiencies, challenges and problems that result from streamlining the second year. The pilot process will conclude with the adoption of the 2006 budget with a final evaluation and a recommendation to the Executive as to whether to pursue implementation of the biennial budget process for the entire county.

The Department of Development and Environmental Services (DDES) is in the first year of a fee restructuring that was adopted in mid 2003 and took effect in 2004. The fee increase will insure long-term financial stability of the DDES fund and allow revenues to meet the current and future cost increases.

The Department's business model approach requires a regular adjustment of staffing, business practices and customer service levels in accordance with the resources available. The 2005 activity forecast for the building and land development industry, as developed by DDES in consultation with industry representatives, calls for a 2 percent increase in business. In spite of that modest increase, the department will be reducing its total request for FTEs from 242 to 234. The department will continue to reduce overhead and take advantage of efficiency op-

portunities in the processing of permits.

The Department of Natural Resources and Parks (DNRP) administers various divisions and sections which provide services related to water quality, solid waste disposal, parks and recreation, centralized geographic information system (GIS) and environmental protection. These divisions include:

- **The Geographic Information System (GIS) Center**, reports to the DNRP Director's Office and administers the County's central GIS databases. The GIS Center provides:
 - a single point of accountability for equitable access to consistent and accurate GIS data;
 - products for all end-users; and
 - coordination of the development of a regional GIS system.
- **The Parks and Recreation Division** administers a system of regional parks, regional trails, and recreational facilities. The division will continue to administer local parks in unincorporated King County where the County is the only local service provider. Per the division's business plan, the division also administers a limited number of facilities in the unincorporated urban growth area, until such time as these facilities are transferred to cities in the County. The division, following the voter approval of a four-year, county-wide 4.9 cent (per \$1,000 A/V) Property Tax Levy that commenced in 2004, is primarily funded from the new Levy (\$11.7 million). The remaining funding of approximately \$8 million comes from various business revenues such as user fees and entrepreneurial efforts, REET funding for CIP planning, and a Current Expense (CX) Fund Transfer of approximately \$2.7 million. The CX Transfer dollars are to support the remaining Park facilities and programs located in urban growth areas of the County.
- **The Solid Waste Division (SWD)** protects public health by administering the safe transfer and disposal of solid waste through a regional system of transfer stations and a regional landfill. The division's financing is generated through disposal fees, with no rate increase proposed for 2005.
- **Wastewater Treatment Division (WTD)** improves water quality and protects public health by transporting and treating sewage and safely disposing of biosolids. The division's financing is generated through a regional sewer rate collected from the component sewer agencies and a capacity charge on new sewer hook-ups. In June 2004, the Council approved a new rate of \$25.60 per Residential Customer Equivalent (RCE) for 2005 with the intent of maintaining that rate in 2006. This new rate has been used in development of the pilot biennial budget process.
- **Water and Land Resources Division (WLRD)** improves water quality and protects the environment by administering the surface water drainage utility for unincorporated King County, the regional flood control programs and facilities and a variety of stewardship programs to protect watersheds, and rural and resource lands. The financing for the division is provided from a variety of sources, including: 1) a drainage fee in the unincorporated area, 2) river improvement levy, 3) noxious weed assessment, 4) interfund transfers from the Wastewater Treatment Division and the Local Hazardous Waste program, 5) contract payments from cities, and 6) grants. No rate changes are proposed for 2005.

The Department of Transportation (DOT) comprises several divisions that provide services related to public transportation, community outreach on transportation issues, road construction and maintenance, regional aviation, and fleet management. The Divisions of the DOT and their principal functions are as follows:

PHYSICAL ENVIRONMENT PROGRAM PLAN

- **DOT Director's Office** provides leadership, advocacy, and support for the Department. The Director's staff maintains good relations with DOT's customers and the community through inter-governmental, community, and media relations; transit-oriented development projects; and transportation planning.
- **Transit Division** provides and coordinates countywide bus service; manages vanpool and rideshare systems; and provides paratransit services for elderly and/or disabled riders. Transit also works with Sound Transit to integrate and prepare for implementation of rail and bus services in 2005 and beyond.
- **Road Services Division** strives to increase mobility through arterial networks, bridge rehabilitation, and corridor system improvements with priority given to asset preservation of existing roadways in a cost effective manner.
- **Fleet Administration Division** manages the County's non-revenue vehicles in the Motor Pool Fund, the Wastewater Equipment Rental and Revolving Fund, and the Public Works Equipment Rental and Revolving Fund.
- **King County International Airport (KCIA)** supports the economic vitality of the County, the National Air Transportation System, and provides safe and continuous general aviation airport services.

Development and Environmental Services

DEVELOPMENT AND ENVIRONMENTAL SERVICES

Mission

Development and Environmental Services

To serve, educate and protect our community through the implementation of King County's development and environmental regulations.

ISSUES AND PRIORITIES

The Department of Development and Environmental Services (DDES) will complete its fifth consecutive year with a positive fund balance in 2004. All activities related to permitting are entirely self-supporting. Permitting-related activity declined in the years

2000 and 2001, but began to increase in 2002 and 2003. That recovery has continued into 2004 and, according to industry colleagues, has now spread to Pierce and Snohomish Counties. The nature of the recovery within King County has led to a modification in the permit mix. Business plans have been adjusted accordingly. Overall the industry appears to be stable and modestly gaining strength. In addition to the overall growth in permits the Department has experienced increased activity levels in some business areas as a result of the adoption of a new building code. These occurred as contractors accelerated permit applications to qualify under the former code. Fluctuations from the new code are not expected to be ongoing and the department has responded to the workload requirements.

In spite of a modest 2 percent increase in business activity projected for 2005, the department will be reducing its total request for FTEs from 242 to 234. The department will continue to hold spending and staffing down to the level required by business activity, i.e., customer demand.

The Current Expense (CX) Fund will support three areas in DDES in 2005: Fire Investigation; Code Enforcement - Zoning and Grading; and Code Development and Education. The 2005 budget proposes a reduction in CX support of \$313 thousand as a result of an overhead realignment to CX supported fire services and a \$43 thousand increase in CX to support drainage enforcement overhead. There are no reductions in service levels as a result of this decrease in funding. In accordance with Council-adopted policy, the DDES budget also includes a contingent expenditure authority to address unanticipated levels of permit activities.

Business Plan Review

The chief change dynamic anticipated in the DDES business plan and addressed in the Executive proposed budget are the activities of the building and land development industry. The current economic trend in the micro economy that DDES regulates is one of turbulence and to some degree unpredictability. Each year King County surveys a cross-section of its customers to determine their business plans for the next 18 months. There is the general attitude among those surveyed that the current growth trend will continue and possibly gain strength with a stronger economy in 2005. To be able to respond to changes in the business activity is a key requirement for DDES. To accomplish this the agency continues to invest in systems improvements with the Financial Systems Restructuring project in the 2005 budget and provides \$975 thousand and 5 FTE's in contingency funding to address unanticipated increases in demand for services of up to 15%.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Development & Environmental Svcs. (DDES) 1340/0325

Code/Item #	Description	0325	Expenditures	FTEs*	TLPs
Program Area		2004 Adopted	30,940,462	241.50	2.00
PE		Status Quo **	(374,008)	0.00	0.00
		Status Quo Budget	30,566,454	241.50	2.00
		0 0			

Detail below shows crosswalk from 2004 adopted to 2005 adopted.

Revenue Backed				
RB02	Financial System Restructuring	91,267	0.00	1.00
		91,267	0.00	1.00
Technical Adjustment				
TA06	Salary adjustments to existing positions	41,606	0.00	0.00
TA50	Revenue reconciliation to final forecasts	0	0.00	0.00
TA01	Staff Adjustments to reflect workload	(816,922)	(9.00)	0.00
TA02	Low Org Budget and Staff Adjustments	60,444	1.00	0.00
TA03	Adjustments to Operating and Maintenance Accounts	(461,370)	0.00	0.00
TA04	Restore Workload Contingency to \$975,000 level	(17,825)	0.00	0.00
TA05	Adjust Department Overtime	(49,405)	0.00	0.00
		(1,243,472)	(8.00)	0.00
Central Rate Adjustments				
CR07	Technology Services Operations & Maintenance Charge	(4,737)	0.00	0.00
CR47	Finance Payroll Projects	(2,662)	0.00	0.00
CR46	Countywide Strategic Technology Projects	(7,279)	0.00	0.00
CR14	Facilities Management Space Charge	(2,703)	0.00	0.00
CR39	COLA Adjustment	(48,331)	0.00	0.00
CR05	Current Expense Overhead Adjustment	(20,493)	0.00	0.00
CR08	Technology Services Infrastructure Charge	(5,830)	0.00	0.00
CR01	Flexible Benefits Charge	(100,464)	0.00	0.00
CR25	Financial Services Charge	2,692	0.00	0.00
CR21	Debt Service Adjustment	(600)	0.00	0.00
CR15	Insurance Charges	135,108	0.00	0.00
CR13	Motor Pool Usage Charge	(37,814)	0.00	0.00
CR12	Telecommunications Overhead	(10,037)	0.00	0.00
CR11	Telecommunications Services	(26,696)	0.00	0.00
CR10	Office of Information Resource Management Charge	7,042	0.00	0.00
CR09	Geographic Information Systems Charge	(93)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	79,563	0.00	0.00
CR38	Major Maintenance Repair Fund	2,881	0.00	0.00
		(40,453)	0.00	0.00
Council Changes				
CC05	Fire Marshal's Office	50,000	0.00	1.00

PHYSICAL ENVIRONMENT PROGRAM PLAN**Development & Environmental Svcs. (DDES) 1340/0325**

Code/Item #	Description	0325	Expenditures	FTEs*	TLPs
CC01	Contract for Customer Survey per 2004-0509		30,000	0.00	0.00
CC02	Two CAO Outreach Employees CX Backed		293,000	2.00	0.00
CC04	Subarea Plan for Maple Valley		50,000	0.00	0.00
CC03	Subarea Plan for Redmond Rural Areas		50,000	0.00	0.00
			473,000	2.00	1.00
2005 Adopted Budget			29,846,796	235.50	4.00

* FTEs do not include temporaries and overtime.

** This includes revised 2004 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

Proviso(s):

ER1 EXPENDITURE RESTRICTION: Of this appropriation, \$293,000 shall be expended solely for two FTEs to respond without charge to questions from members of the public about critical areas standards and permitting through site visits, community meetings, classes and phone calls.

ER2 EXPENDITURE RESTRICTION: Of this appropriation, \$50,000 is appropriated as one-time funding in 2005 and shall be expended by the fire marshal to assist the fire marshal in research, outreach and the preparation of a public rule on wildfire prevention best management practices.

ER3 EXPENDITURE RESTRICTION: Of this appropriation, \$100,000 shall be used to complete two subarea plans. One plan shall study the expansion of the east Redmond rural neighborhood in council district 3. The second plan shall study the nonconforming industrial uses along the Maple Valley highway in council district 12.

P1 PROVIDED THAT: The department shall develop and include in its business plan two permit efficiency performance measures as recommended by the King County auditor. By May 1, 2005, and every three months thereafter on the first of the month, the executive shall submit to the council data on the permit efficiency performance measures and on the percentage of site engineering reviews that are required to go through the "complex" review process. The quarterly report must be filed in the form of 6 copies with the clerk of the council, who will retain the original and will forward copies to the chairs of the labor, operations and technology committee and the growth management and unincorporated areas committee, or their successors, the lead staff of these committees and the auditor. If this proviso is violated, \$100,000 of this appropriation may not be expended or encumbered until the executive submits the required quarterly

P2 PROVIDED FURTHER THAT: Of this appropriation, \$30,000 in revenues from the current expense fund shall be expended solely to contract with an outside vendor to conduct exit interviews with a random selection of customers who have completed the permitting process. By May 1, 2005, and every three months thereafter on the first of the month, the executive shall transmit the results of these exit interviews to the council and the auditor. The quarterly report must be filed in the form of 6 copies with the clerk of the council, who will retain the original and will forward copies to the chairs of the labor, operations and technology committee and the growth management and unincorporated areas committee, or their successors, the lead staff of these committees and the auditor. If this proviso is violated, \$100,000 of this appropriation may not be expended or encumbered until the executive submits the required quarterly reports.

PHYSICAL ENVIRONMENT PROGRAM PLAN

PROGRAM HIGHLIGHTS

Technical Adjustments

Staff Adjustments - (\$816,922) and (9.0) FTEs. This proposal will reduce personnel costs to a level commensurate with projected department revenues and business activity. It will have minimal or no impact on DDES customers. This reduction allows DDES to function within its projected revenues and maintain financial stability.

The proposal also reallocates positions and resources to provide better alignment with the department's business plan and provide for greater efficiencies.

O & M Adjustments - \$(461,370). This proposal adjusts various overhead and maintenance expenditures to the appropriate levels in support of the 2005 Proposed Budget. The largest components of this reduction are \$346,170 for one time IT project support.

Adjust Department Overtime – (\$49,405). This proposal would adjust the amount of overtime costs based on projections for 2005. Overtime requirements for the department have decreased resulting in a reduction of the funds required.

Workload Contingency Adjustment – (\$17,825). This proposal reduces the work load contingency to the \$975,000 that the department has historically maintained to respond to changes in workload brought about by changes in the building activity in the county. This proposal allows the department to respond to unanticipated demands of up to 15 percent beyond projected receipts by providing adequate resources to accomplish core services. The budget also continues to maintain contingency for 5.0 FTE.

Salary adjustments to ongoing positions - \$41,606. This proposal corrects small salary discrepancies in positions that are revenue backed by funding from non permit resources.

Revenue Backed

Financial System Restructuring - \$91,267 and 1.0 TLT. This increase in expenditures provides additional staffing to support the CIP project that is restructuring the processing database design of the DDES Finance System. The existing system is effective in its basic operations, but costly to maintain. It has functional deficiencies due to the incremental approach used in its development, which makes systems support labor intensive. The goals of this project are to improve processing performance, fix deficiencies, improve integration with other mission critical applications and make its database independent. The project has a total cost of \$306,414, of which \$215,147 and 2 TLTs are in the base budget.

Central Rate Adjustments – (\$40,453) Central rate adjustments include: GIS, PAO, Finance, Finance Payroll Project, CX Overhead, ITS Infrastructure and O&M, OIRM, Insurance Charges, COLA, Debt Service Adjustment, Telecommunications Services and Overhead, Motor Pool, FMD Space Charge and Major Maintenance Repair Fund, Flex Benefits, and County Wide Strategic Technology Projects.

C O U N C I L A D O P T E D B U D G E T

Customer Survey - \$30,000. Council approved funding for a survey of DDES customers to be accomplished during 2005.

Critical Areas Ordinance Outreach Employees - \$293,000 – 2 FTE. Council created additional support for the implementation of the Critical Areas Ordinance. The positions are backed by an increase to the CX transfer and are to provide customer service to citizens impacted by the CAO ordinance.

Subarea Plans for Redmond and Maple Valley - \$100,000. Council provided funding for two sub

PHYSICAL ENVIRONMENT PROGRAM PLAN

area plans to be completed during 2005.

Fire Marshall's Support - \$50,000. The Council provided additional support to the Fire Marshall's office from an increased CX transfer. The resources were to address the impact of the CAO ordinance and other needs in the office.

Link to Department of Development & Environmental Services Financial Plan, 11 KB .pdf

Department of Development and Environmental Services 0134/0325

	2003 Actual ¹	2004 Adopted	2004 Estimated ²	2005 Adopted	2006 Projected ³	2007 Projected ³
Beginning Fund Balance	1,140,433	4,094,016	5,906,367	5,997,428	8,627,514	8,665,985
Revenues						
* Fee Receipts	26,094,076	27,917,355	25,665,125	27,462,732	26,089,595	24,785,116
* Other Revenue	1,065,353	1,548,094	1,548,094	1,040,266	1,540,266	1,540,266
* Investment Interest	512,969	250,000	250,000	250,000	250,000	250,000
* Operating Contingency		975,000	975,000	975,000	975,000	975,000
* CX Transfers	2,898,857	2,649,169	2,649,169	2,748,884	2,473,996	2,226,596
Total Revenues	30,571,255	33,339,618	31,087,388	32,476,882	31,328,857	29,776,978
Expenditures						
* Salaries and Benefits	(19,975,568)	(21,053,193)	(21,008,605)	(21,505,372)	(22,580,641)	(23,709,673)
* Supplies and Contracts	(1,129,031)	(1,816,180)	(1,816,180)	(1,476,991)	(1,550,841)	(1,628,383)
* Interdepartmental	(4,530,015)	(4,723,732)	(4,723,732)	(4,499,124)	(4,724,080)	(4,960,284)
* Capital & Other	(170,707)	(2,372,357)	(2,372,357)	(1,390,309)	(1,459,824)	(1,532,816)
* Operating Contingency		(975,000)	(975,000)	(975,000)	(975,000)	(975,000)
* Encumbrance Carryover			(100,453)			
Total Expenditures	(25,805,321)	(30,940,462)	(30,996,327)	(29,846,796)	(31,290,386)	(32,806,155)
Estimated Underexpenditures						
Other Fund Transactions						
*						
*						
Total Other Fund Transactions	0	0	0	0	0	0
Ending Fund Balance	5,906,367	6,493,172	5,997,428	8,627,514	8,665,985	5,636,808
Reserves & Designations						
* Reserve for Staff Reductions		(420,000)	(420,000)	(432,600)	(445,578)	(458,945)
* Reserve for Revenue Shortfall		(1,043,706)	(1,043,706)	(1,095,891)	(1,095,891)	(1,095,891)
* Reserve for Technology Replacements		(950,000)	(950,000)	(997,500)	(1,047,375)	(1,099,744)
* Reserve for Fee Waivers & Unanticipated Costs		(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
*						
* Reserve for Encumbrances	(100,453)					
Total Reserves & Designations	(100,453)	(3,413,706)	(3,413,706)	(3,525,991)	(3,588,844)	(3,654,580)
Ending Undesignated Fund Balance	5,805,914	3,079,466	2,583,722	5,101,523	5,077,141	1,982,228

Financial Plan Notes:

¹ 2003 Actuals are from the 2003 CAFR.

² 2004 Estimated is based on the Quarterly Report for the First Quarter of 2004.

³ 2006 and 2007 Projected are based on 5% per year permit fee decreases due to dwindling inventory, and 10% per year cuts in CX funding. A 5% per year expenditure inflation factor is assumed.

Natural Resources and Parks

[Link to Department of Natural Resources and Parks Organizational Chart, 12 KB .pdf](#)

NATURAL RESOURCES AND PARKS

Mission

Natural Resources & Parks

To be the steward of the region's environment and strengthen sustainable communities by protecting our water, land and natural habitats, safely disposing of and reusing wastewater and solid waste, and providing natural areas, parks and recreation programs.

ISSUES AND PRIORITIES

The Department of Natural Resources and Parks (DNRP) includes the following organizational units: DNRP Administration, GIS Center, Wastewater Treatment Division, Water and Land Resources Division (multiple appropriation units), Solid Waste Division, and Parks and Recreation Division.

DNRP Administration

The administrative unit is comprised of the DNRP Director's Office, DNRP Human Resources, a Technology unit and a Public Outreach unit.

GIS Center

The GIS Center, organized as a separate internal service fund, provides all County users with a single point of accountability for equitable access to consistent and accurate GIS data and products. It also provides efficient GIS database management, and works to develop a regional GIS system. In addition to working on countywide GIS functions, the GIS Center provides staff support for DNRP and DOT GIS business needs.

In the 2005 Executive Proposed budget, the GIS Operating and Maintenance funding has changed to a cost allocation model based on measurable delivery of enterprise GIS services to four defined communities of GIS users. The new model allocates GIS Operating and Maintenance costs to desktop and web-based GIS customers based on usage measures, and to GIS Technical Committee agencies and GIS Sponsor or Oversight Committee agencies based on equitable cost shares.

Parks & Recreation Division

The 2005 Parks and Recreation Division Executive Proposed Budget assumes that parks, pools and facilities located within the incorporated areas of the County successfully transferred out of the County's inventory. Continuing efforts to transfer parks, pools and facilities within the urban growth area enables the Parks Division to focus on its role as a regional park.

The 2005 Executive Proposed Budget relies on several sources of revenue. Due to the successful passage of the four-year Parks Levy in May 2003, \$11.7 million of funding will be derived from property tax revenues, \$4.9 million will be derived from sources such as advertising, naming rights, sponsorships, concession agreements, donations, grants, and miscellaneous revenues. \$1.2 million will be derived from REET for CIP planning and \$2.7 million will be transferred from the Current Expense (CX) Fund for the operation of local parks, pools and facilities within the unincorporated urban growth areas of the County. In the Executive Proposed Budget, the CX Transfer is reduced \$2.7 million, due to successful efforts at cutting costs and generating more revenue in the UGA area. Cost reductions are resulting from the transfer of facilities and making efficiency improvements that do not effect service. These efforts are consistent with the division's business plan. Parks will continue its entrepreneurial efforts to maximize revenues and transfer properties within the unincorporated urban growth areas in an effort to reduce the CX Fund contribution in 2005 and beyond.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Solid Waste Division

The division continues its mission of maximizing ratepayer value by ensuring the citizens of King County have access to efficient and reliable regional solid waste handling and disposal services at rates as low as reasonably possible and consistent with sound environmental stewardship of regional resources.

The most significant change in 2005 is the increase in tonnage at the division's transfer stations that began in early 2004 and is expected to continue in 2005. Expenditures and FTE authority granted by Council via Ordinance #14993 are included in the 2005 Executive Proposed Budget. The 2005 Executive Proposed Budget reflects the division's commitment to improve efficiency with facility upgrades, operational changes, and program enhancements that will make the solid waste system safer, more efficient, and better prepared for the eventual closure of the Cedar Hills Landfill. The expected closure of Cedar Hills Landfill is prompting an examination of how the division will continue to play a role in regional solid waste management. The division intends to maintain a public presence in the marketplace to promote competition in an effort to influence future solid waste costs, and to invest in facilities to enhance disposal choices. As stated in the 2001 Comprehensive Solid Waste Management Plan, "the division must begin to make significant changes to system facilities, to prepare for the transition to waste export, well before the actual closure of Cedar Hills."

Wastewater Treatment Division

In June 2005, the King County Council adopted a new \$25.60 sewer rate for 2005 with the intent of maintaining the same rate in 2006 and increased the capacity charge from \$18.00 to \$34.05 for 2005 through 2007. The new sewer rate and capacity charge were set to meet the minimum required debt service coverage ratios allowed under the Wastewater Treatment Division's adopted financial policies. The adopted rate determines the maximum amount of operating and capital that Wastewater can spend in 2005 and 2006. In 2005, the primary factor impacting these rates/ratios is the sizable capital program that the division is undertaking to implement the Regional Wastewater Services Plan (RWSP).

Included in the 2005 rate is funding to address the Regional Wastewater Services Plan (RWSP). Implementation of the plan began in late 1999 and will continue through at least 2030. The 2005 Proposed Operating Budget does not fund RWSP or Brightwater activities, which are included in the CIP proposal. The 2005 Proposed Operating Budget continues the implementation of the Productivity Initiative. The Productivity Initiative is a collaborative effort between management and labor to achieve significant cost savings in operating and building the wastewater treatment system while continuing to meet federal, state and local environmental regulations and goals. The Productivity Initiative is in full force for the operating budget, with the establishment of operating cost targets set through 2010. The 2005 operating budget incorporates \$1.5M in Productivity Initiative savings. Additionally, in 2004, the King County Council approved an ordinance to expand the Productivity Initiative to include the asset management and major capital construction programs for the wastewater program.

The intent to maintain a stable two-year sewer rate and a three year capacity charge presents an excellent opportunity for the County to explore the use of biennial budgeting for the 2005 - 2006 biennium. DNRP and the Wastewater Treatment Division (WTD) volunteered to undertake a pilot biennial budget process. While not resulting in an adopted biennial budget, the division will follow the same steps involved in developing and implementing a biennial budget and then use the 2006 budget included here as the target for a 2006 budget process. To evaluate the biennial budget process the Office of Management and Budget (OMB) and WTD staff have developed a list of desired outcomes that should result from the process if it is to be considered for expansion countywide. The biennial budget process should:

- allow county staff to continue to thoroughly develop, review and monitor all agency budgets.
- provide better long-range and strategic planning. Since the budget will cover two years instead of one, managers should have to take a longer view with regard to resource and program planning.

PHYSICAL ENVIRONMENT PROGRAM PLAN

- allow easier integration with the business planning process.
- reduce the amount of staff time dedicated to development of the budget. A critical part of the evaluation will be that real staff savings have been achieved rather than shifting workload around within the year.
- allow for greater emphasis on management and planning.

WTD provides an excellent opportunity to pilot the process because they offer an agency that is sufficiently complex to provide meaningful conclusions while at the same time minimizing some of the obstacles that typically impact biennial processes. For example, the intent to maintain a stable two-year sewer rate gives the agency a much better handle on revenue forecasting. In addition, WTD offers skilled staff resources that are capable of implementing the transition. It is expected that obstacles encountered by WTD will be greater challenges to some of the other county agencies if biennial budgeting is expanded.

The process that WTD will follow in developing a biennial budget starts when the final Executive Proposed Budget is completed and entered into Essbase, the County's central budgeting system. The 2006 budget will be entered into Essbase and balanced to the expenditure projection forecasted when the 2005/2006 rate was adopted. These numbers are summarized on the detail page of this book and in the WTD financial plan. While only summary numbers are provided in the book the 2006 budget is detailed in Essbase down to the account level. It is expected that a full county biennial budget would include a discussion of changes that were anticipated in both the first and second years.

The 2006 budget in Essbase will then be used as the target bottom line for development of the 2006 Executive Proposed budget for WTD. Change packages similar to those used by departments currently will be developed for changes to the 2006 WTD budget. The change packages with the revised revenue estimates and financial plan will be reviewed by the budget office and presented to the Executive for final decision. Final decisions will be entered into the County's budget system and will be included in the 2006 Executive Proposed Budget. It is anticipated that this final step will be greatly simplified and completed early in 2006.

After adoption of the 2006 budget, the results of the pilot biennial budget process will be evaluated. If it is determined to move forward on the next steps of further implementing the biennial budget process, a transition plan will be developed, including any system changes that have been identified, so that the County will be able to convert to a biennial budget process.

Water and Land Resources Division

For the 2005 budget, the Water and Land Resource Division (WLRD) was forced to make challenging decisions, as rising costs outpaced revenues. Although the Surface Water Management (SWM) fee collected in the unincorporated areas will remain relatively stable in 2004, there is a significant increase in costs due to the implementation of the Critical Areas Ordinance (CAO) and the Groundwater Program, which is before Council and anticipated to be adopted. In addition, compliance activities associated with the Endangered Species Act (ESA) and the Clean Water Act (CWA) have been completed resulting in a reduction of WTD and RIF contributions. Two other significant changes in 2005, are with this increase in the capital improvement Program's Pay-As-You-Go transfer and a reprogramming of WTD operating funds for data management, and special studies.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Natural Resources & Parks Administration 4040/0381

Code/Item #	Description	0381	Expenditures	FTEs*	TLPs
Program Area		2004 Adopted	4,857,224	28.00	3.00
		Status Quo **	95,710	1.00	0.00
PE					
		Status Quo Budget	4,952,934	29.00	3.00
		0 0			

Detail below shows crosswalk from 2004 adopted to 2005 adopted.

Technical Adjustment					
TA50	Annual Revenue Adjustments	0	0.00	0.00	
TA01	Elimination of TLP	0	0.00		(1.00)
TA02	Supply and Service Adjustments	(11,700)	0.00	0.00	
TA04	Reduction of Support to Other Agencies	(237,227)	0.00	0.00	
TA03	Labor Adjustments	49,256	0.00	0.00	
		(199,671)	0.00	(1.00)	
Central Rate Adjustments					
CR11	Telecommunications Services	(2,002)	0.00	0.00	
CR46	Countywide Strategic Technology Projects	(934)	0.00	0.00	
CR39	COLA Adjustment	(6,698)	0.00	0.00	
CR05	Current Expense Overhead Adjustment	(140,309)	0.00	0.00	
CR07	Technology Services Operations & Maintenance Charge	(525)	0.00	0.00	
CR08	Technology Services Infrastructure Charge	(1,792)	0.00	0.00	
CR10	Office of Information Resource Management Charge	975	0.00	0.00	
CR47	Finance Payroll Projects	55	0.00	0.00	
CR12	Telecommunications Overhead	651	0.00	0.00	
CR13	Motor Pool Usage Charge	(1,453)	0.00	0.00	
CR20	Prosecuting Attorney Civil Division Charge	(54,635)	0.00	0.00	
CR22	Long Term Leases	(10,062)	0.00	0.00	
CR25	Financial Services Charge	(8,955)	0.00	0.00	
CR36	Property Services Lease Administration Fee	(1,004)	0.00	0.00	
CR09	Geographic Information Systems Charge	(14)	0.00	0.00	
CR38	Major Maintenance Repair Fund	(4,682)	0.00	0.00	
CR01	Flexible Benefits Charge	(11,904)	0.00	0.00	
		(243,288)	0.00	0.00	
2005 Adopted Budget			4,509,975	29.00	2.00

* FTEs do not include temporaries and overtime.

** This includes revised 2004 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

PROGRAM HIGHLIGHTS

DNRP Administration

Technical Adjustments

Elimination of (1.0) TLT. This proposal would remove a Term Limited Temporary for which the body of work will be absorbed within existing FTE authority.

Supply and Service Adjustments - (\$11,700) expenditures. This represents adjustments to various supply accounts to projected expenditures in 2005.

Labor Adjustments - \$49,256 expenditures. This request would adjust personnel-related costs, including those resulting from reclassification, merit, etc.

Reduction of Support to Other County Agencies - (\$237,227) expenditures. This proposal would remove budget for the transfers to the Unincorporated Area Councils, HRD for the Layoff Recall Program, and DDES for Critical Areas Ordinance work.

Central Rate Adjustments

Central Rate Adjustments – (\$243,288). Central rate adjustments include: CX Overhead, ITS O&M and Infrastructure, Telecommunications Services and O&M, Risk Abatement, Motor Pool, Finance, PAO, Long Term Lease and Administration Fee, OIRM, Retirement, COLA, Cell Phone/Pager Services, DNRP GIS, Countywide Strategic Technology Projects, Finance Payroll Projects, Major Maintenance Repair, and Flex Benefits.

COUNCIL ADOPTED BUDGET

Council made no changes to the 2005 Executive Proposed Budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Geographic Information Systems (GIS) 5481M/3180M

Code/Item #	Description	3180M	Expenditures	FTEs*	TLPs
Program Area		2004 Adopted	3,398,884	31.00	0.00
		Status Quo **	153,503	0.00	0.00
PE					
		Status Quo Budget	3,552,387	31.00	0.00
		0 0			

Detail below shows crosswalk from 2004 adopted to 2005 adopted.

Technical Adjustment				
TA01	Adjust DNRP Overhead	(33,904)	0.00	0.00
TA50	Revenue Adjustments	0	0.00	0.00
		(33,904)	0.00	0.00
Central Rate Adjustments				
CR47	Finance Payroll Projects	1,231	0.00	0.00
CR08	Technology Services Infrastructure Charge	(64)	0.00	0.00
CR10	Office of Information Resource Management Charge	945	0.00	0.00
CR22	Long Term Leases	(3,286)	0.00	0.00
CR46	Countywide Strategic Technology Projects	(905)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(220)	0.00	0.00
CR01	Flexible Benefits Charge	(11,904)	0.00	0.00
CR05	Current Expense Overhead Adjustment	8,249	0.00	0.00
CR11	Telecommunications Services	(430)	0.00	0.00
CR12	Telecommunications Overhead	170	0.00	0.00
CR39	COLA Adjustment	(4,338)	0.00	0.00
CR38	Major Maintenance Repair Fund	(1,642)	0.00	0.00
CR36	Property Services Lease Administration Fee	(280)	0.00	0.00
CR25	Financial Services Charge	25,627	0.00	0.00
CR13	Motor Pool Usage Charge	227	0.00	0.00
		13,380	0.00	0.00
2005 Adopted Budget		3,531,863	31.00	0.00

* FTEs do not include temporaries and overtime.

** This includes revised 2004 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

Geographic Information Systems (GIS)

Business Plan Review

Key change dynamics requiring a budgetary response is with a pending labor settlement that could potentially increase labor costs and with GIS software migration. Migration to a new GIS software platform and database environment continues to challenge the skills of GIS Center staff and divert staff from data and application development work. To offset the impact of GIS software migration to the extent possible, a comprehensive migration plan has been developed to guide work efforts and minimize disruptive impacts. Consultant services from the major software vendor involved have been secured. Implementation of project management standards and efficiency gains in administrative practices are being implemented to hold costs down and mitigate further rate increases.

Program Changes

Reorganization of Staff and Resources - \$0 expenditures. This proposal would better align program costs and personnel to anticipated needs in 2005.

Technical Adjustments

Adjust Internal Cost Allocation and DNRP Overhead – (\$33,904). This proposal would adjust the GIS share of the DNRP overhead rate to the current proposed level.

Central Rate Adjustments

Central Rate Adjustments - \$13,380. Central rate adjustments include: Telecommunications Services and O&M, Retirement, OIRM, ITS Infrastructure and O&M, CX Overhead, Finance, County-wide Strategic Technology Projects, Finance Payroll Projects, Major Maintenance Repair, Long Term Leases and Lease Administration Fee, COLA, Flex Benefits, and Motor Pool.

C O U N C I L A D O P T E D B U D G E T

Council made no changes to the 2005 Executive Proposed Budget.

**Link to Geographic Information Services Financial Plan, 12
KB .pdf**

PHYSICAL ENVIRONMENT PROGRAM PLAN

Geographic Information Services - 5481M/3180M

	2003 Actual ¹	2004 Adopted	2004 Estimated ²	2005 Adopted	2006 Projected ³	2007 Projected ³
Beginning Fund Balance	663,407	529,037	691,606	652,982	628,818	521,445
Revenues						
* GIS O&M (Enterprise) Services Revenues	1,392,582	1,347,661	1,347,661	1,389,136	1,430,810	1,473,734
* Client Services Cost Reimbursable Work Revenues	451,061	1,009,252	513,470	847,470	872,894	899,081
* Matrix Unit Revenues	961,843	1,014,259	1,014,259	1,220,634	1,257,253	1,294,971
Total Revenues	2,805,486	3,371,172	2,875,390	3,457,240	3,560,957	3,667,786
Expenditures						
* GIS O&M (Enterprise) Services	(1,282,962)	(1,354,829)	(1,340,915)	(1,398,719)	(1,440,681)	(1,483,901)
* Client Services Cost Reimbursable Work	(592,386)	(1,029,080)	(620,619)	(909,008)	(936,278)	(964,367)
* Matrix Unit Revenues	(901,939)	(1,014,975)	(1,002,420)	(1,224,136)	(1,260,860)	(1,298,686)
* Equipment Replacement from Reserve ⁴					(100,000)	(25,720)
Total Expenditures	(2,777,287)	(3,398,884)	(2,963,954)	(3,531,863)	(3,737,819)	(3,772,673)
Estimated Underexpenditures⁵		16,994	14,820	17,659	18,689	18,863
Other Fund Transactions						
* Allocation from O&M Budget for Equipment Reserve ⁴		25,000	25,000	25,000	43,000	43,000
* Allocation from C/S Revenue for Training Room Equip Reserve ⁶		0	10,120	7,800	7,800	7,800
*						
Total Other Fund Transactions	0	25,000	35,120	32,800	50,800	50,800
Ending Fund Balance	691,606	543,319	652,982	628,818	521,445	486,221
Less: Reserves & Designations						
* Allocation from O&M Budget for Equipment Reserve	0	(75,000)	(75,000)	(100,000)	(43,000)	(86,000)
*C/S Revenue Reserved for Training Room Equip Replacement ⁶	0	0	(10,120)	(17,920)	(25,720)	(7,800)
Total Reserves & Designations	0	(75,000)	(85,120)	(117,920)	(68,720)	(93,800)
Ending Undesignated Fund Balance	691,606	468,319	567,862	510,898	452,725	392,421
Target Fund Balance ⁷	277,729	339,888	296,395	353,186	373,782	377,267

Financial Plan Notes:

¹ 2003 Actuals are from 2003 CAFR and 14th Month ARMS Report.

² 2004 Estimated is projected based on estimates from the department.

³ 2006 and 2007 Projected are based on 3% annual growth.

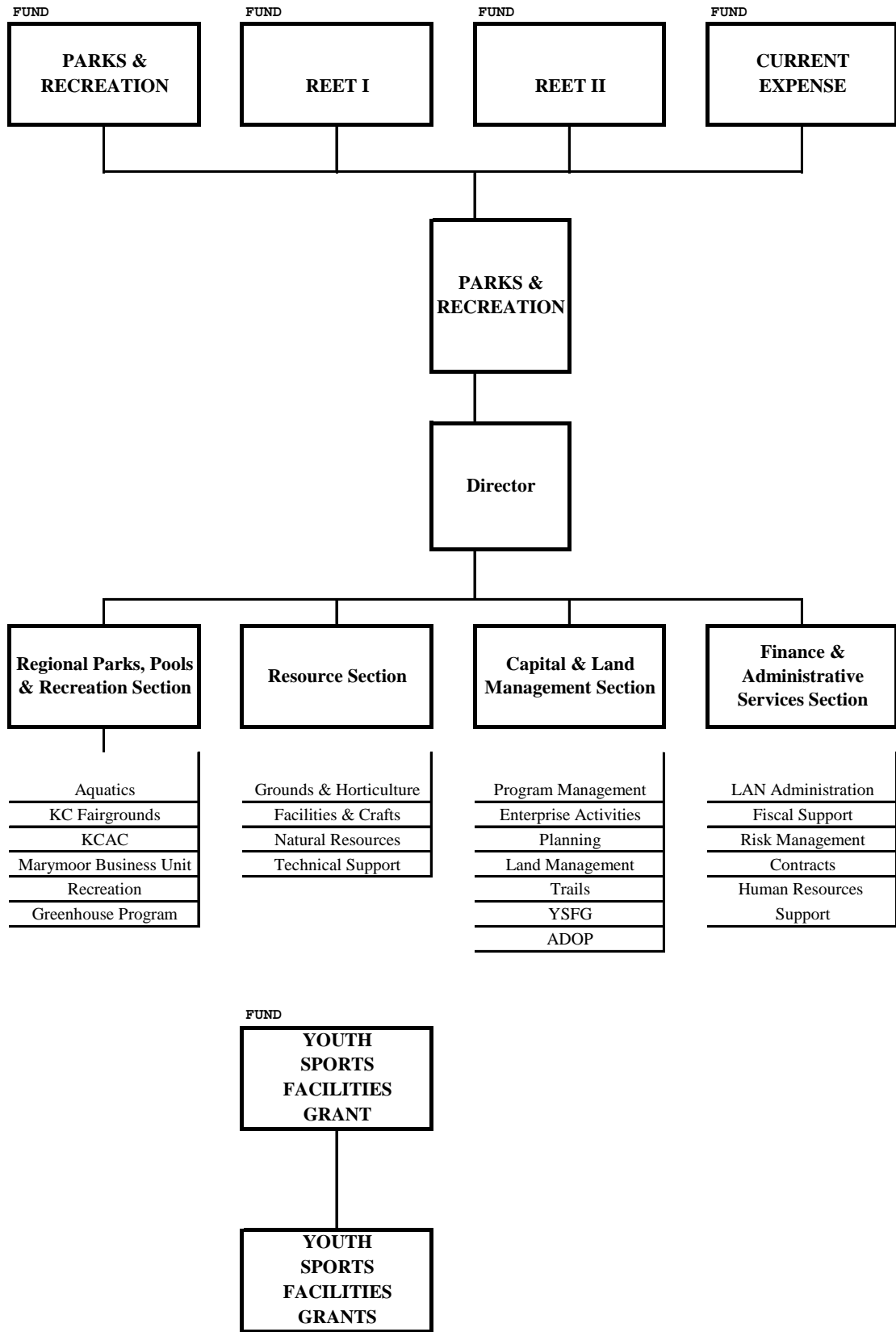
⁴ Equipment Reserve established to fund replacement of core GIS data servers to ensure effective on-going operation.

⁵ Underexpenditure is based on 0.5% of Total Expenditures.

⁶ KSC training room rental revenue is held for DOT & DNRP as an equipment replacement reserve.

⁷ Target Fund Balance is 10% of Total Expenditures.

PHYSICAL ENVIRONMENT PROGRAM PLAN



PHYSICAL ENVIRONMENT PROGRAM PLAN

Parks and Recreation 1451/0640

Code/Item #	Description	0640	Expenditures	FTEs*	TLPs
Program Area		2004 Adopted	19,356,220	159.93	0.00
		Status Quo **	1,709,226	0.33	0.00
PE					
		Status Quo Budget	21,065,446	160.26	0.00
		0 0			
<i>Detail below shows crosswalk from 2004 adopted to 2005 adopted.</i>					
Direct Service Reductions					
DS01	CX Target Reduction		(789,112)	(6.35)	0.00
			(789,112)	(6.35)	0.00
Program Change					
PC06	Parks Resource Section		231,370	0.25	0.00
PC02	Division Director's Office		(102,355)	0.00	0.00
PC05	Regional Parks, Pools and Recreation		59,647	1.00	0.00
PC03	Finance & Administrative Services		96,718	0.00	0.00
PC07	South Maintenance District		(134,688)	(0.15)	0.00
PC04	Capital & Land Management Office		(14,800)	0.00	0.00
			135,892	1.10	0.00
Revenue Backed					
RB01	Homeland Security Planning & Preparedness		185,329	0.00	1.00
			185,329	0.00	1.00
Technical Adjustment					
TA09	Local 925 Reserve		190,000	0.00	0.00
TA08	Extra Help Reconciliation		54,923	0.00	0.00
			244,923	0.00	0.00
Technology Requests					
IT01	EDP Equipment Replacement		68,000	0.00	0.00
			68,000	0.00	0.00
Central Rate Adjustments					
CR22	Long-term Leases		(2,655)	0.00	0.00
CR13	Motor Pool Usage Charge		(96,140)	0.00	0.00
CR15	Insurance Charges		125,621	0.00	0.00
CR12	Telecommunications Overhead		1,352	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge		(351,205)	0.00	0.00
CR25	Financial Services Charge		(42,744)	0.00	0.00
CR31	Cell Phone & Pager Services		50,000	0.00	0.00
CR36	Property Services Lease Admin Fee		(226)	0.00	0.00
CR38	Major Maintenance Repair Fund		(928)	0.00	0.00
CR40	Merit Adjustment		(1,090)	0.00	0.00
CR01	Flexible Benefits Charge		(60,288)	0.00	0.00
CR39	COLA Adjustment		(20,771)	0.00	0.00
CR10	Office of Information Resource Management Charge		4,575	0.00	0.00
CR09	Geographic Information Systems Charge		21,219	0.00	0.00
CR08	Technology Services Operations & Maintenance Charge		2,700	0.00	0.00
CR05	Current Expense Overhead Adjustment		(62,145)	0.00	0.00
CR47	Finance Payroll Projects		36,711	0.00	0.00
CR11	elecommunications Services		19,936	0.00	0.00
			(376,078)	0.00	0.00
2005 Adopted Budget			20,534,400	155.01	1.00

* FTEs do not include temporaries and overtime.

** This includes revised 2004 adopted, initial status quo, and proposed status quo increments. Under FTEs,

PHYSICAL ENVIRONMENT PROGRAM PLAN

annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Parks and Recreation Division (Levy Fund)

Business Plan Review

There are numerous change dynamics and policies driving the Parks Business Plan. The primary change dynamic is the need to transfer local parks facilities in the remaining urban unincorporated area to relieve the Current Expense (CX) Fund of its responsibility to operate these facilities. Two CIP projects are budgeted that will maintain the safety and integrity of these assets. They are pool System Improvements and Small Contracts. In the operating budget, Parks efforts to reduce the CX Transfer in 2005 include transfer of the Tahoma Pool, increased efficiencies, increasing UGA revenues, and merging two maintenance districts into one.

A policy reflected in the Parks business plan is the division's focus on stewardship of regional assets, including the regional trail system. The Bridge & Trestle Repair CIP project is budgeted for this purpose.

Another policy reflected in the business plan is the division pursuit of entrepreneurial revenue-generating opportunities within the regional/rural parks facilities funded by the Parks levy, in order to mitigate the reliance on general tax revenues. Three projects are budgeted in 2005 for this purpose – the Opportunity Fund, Revenue Enhancements, and Camping/Yurt Installation.

Direct Service Reductions

CX Target Reduction – (\$789,112) and (6.35) FTEs. The reduction to the CX transfer net of the revenue impacts is \$437,011. With the passage of a special parks levy in 2003, the Parks Division transitioned from a CX agency to a Special Revenue Fund in 2004. Slightly over half of the new funds revenues are from levy proceeds. The other revenues are derived from parks direct charges for services, business revenue opportunities such as the Concerts at Marymoor and the CX transfer.

The remaining CX funding supports the costs of operating local parks, pools, and facilities in the Unincorporated Urban Growth Area (UGA). The 2005 CX transfer anticipates expenditure, revenue, and FTE reductions due to the following changes:

- the transfer of the Tahoma Pool;
- savings resulting from reductions in operating costs in the UGA with no impact to services;
- the merger of two maintenance districts into one to prepare for future transfer of facilities in the UGA with no impact on services; and
- additional business revenues expected in 2005 from UGA pools and recreation facilities; and

Program Changes

Division Director's Office – (\$102,355). This proposal adjusts management and administrative costs of the Parks Division as well as Overhead and Internal Service Charges.

Finance and Administrative Services – \$96,718. This proposal adjusts costs for providing finance and administrative services for Parks, including human resources functions, accounts payable, payroll, and information systems management, as well as a reserve for IT Class Comp.

Capital and Land Management Office – (\$14,800). This proposal adjusts costs associated with providing land management services for capital acquisitions, trails coordination, property management, inventory of properties, land use planning and small capital projects development management and oversight. REET provides the majority of funding for the Capital and Land Management Office.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Regional Parks, Pools and Recreation Section - \$59,647 and 1.0 FTE. This proposal adjusts operating and maintenance costs of the regional active parks, ball fields, Marymoor Park, Greenhouse Program, Enumclaw Fair and Fairgrounds, Unincorporated Growth Area (UGA) and rural pools, and King County Aquatics Center.

Parks Resource Section - \$231,370 and .25 FTE. This proposal adjusts costs for administrative and operational support for all maintenance activities.

South Maintenance District – (\$134,688) and (.15) FTE. This reduction is a result of merging the Evergreen and Green River Maintenance Districts. This reorganization was undertaken in anticipation of future transfers of facilities in the Urban Growth Area as cities annex unincorporated areas. Savings resulting from this merger do not impact services.

Revenue Backed Adjustments

Homeland Security Planning and Preparedness – \$185,329 and 1.0 TLT. This proposal provides for emergency preparedness for Parks and is 100% backed by grant revenue from UASI Grants (emergency response preparation).

Technical Adjustments

Extra Help Reconciliation – \$54,923. This adjustment is a result of reconciling all extra help in Parks - adjusting \$/hour, # of hours, etc.

Local 925 Reserve – \$190,000. This amount has been included in anticipation of adoption of the Local 925 Collective Bargaining Agreement.

Technology Requests

EDP Equipment Replacement – \$68,000. This equipment replacement project will upgrade personal computers and two servers.

Central Rate Adjustments

Central Rate Adjustments – (\$376,078). Central rate adjustments were made for Flexible Benefits, Current Expense Overhead, Technology Services O&M, Geographic Information Systems, Office of Information and Resource Management, Telecommunications Services, Telecommunications Overhead, Motor Pool Usage, Insurance, Prosecuting Attorney Civil Division, Long-term Leases, Financial Services, Cell Phone & Pager Services, Property Services Lease Admin Fee, Major Maintenance Repair Fund, COLA, Merit, and Finance Payroll Projects.

C O U N C I L A D O P T E D B U D G E T

Council made no changes to the 2005 Executive Proposed Budget.

[Link to Parks 2004 Levy Financial Plan, 14 KB .pdf](#)

PHYSICAL ENVIRONMENT PROGRAM PLAN

Parks 2004 Levy Fund / 1451/0640

	2003 Actual ¹	2004 Adopted	2004 Estimated	2005 Adopted	2006 Projected	2007 Projected
Beginning Fund Balance	0	0	0	1,272,331	1,747,946	2,061,876
Revenues						
* Levy Proceeds ²		11,533,243	11,302,754	11,641,836	11,961,987	12,261,036
* Delinquent Levy Collections ²				120,793	164,681	201,522
* Interest ³		19,442	23,837	14,191	41,288	50,733
* Regional/Rural Business Revenues ⁴		4,090,063	3,567,151	3,953,612	4,151,293	4,358,857
* UGA Business Revenues ⁴		1,038,140	1,038,140	697,693	732,578	769,207
* CX Transfer ⁵		2,961,640	2,961,640	2,696,803	2,831,643	2,973,225
* CIP ⁶		1,154,342	1,154,342	1,289,070	1,353,524	1,421,200
* Homeland Security Grant				185,329		
Total Revenues	0	20,796,870	20,047,864	20,599,327	21,236,993	22,035,780
Expenditures						
* Regional & Rural Expenditures (Levy-derived) ⁷		(9,751,593)	(10,274,505)	(11,356,857)	(11,923,239)	(12,519,401)
* Regional/Rural Expenditures (Business Revenue-derived) ⁷		(4,090,063)	(3,567,151)	(3,953,612)	(4,151,293)	(4,358,857)
* Urban Growth Area Expenditures (Business Revenue-derived) ⁷		(1,038,140)	(1,038,140)	(697,693)	(732,578)	(769,207)
* Urban Growth Area Expenditures (CX-derived) ⁵		(3,022,082)	(3,022,082)	(2,751,839)	(2,889,431)	(3,033,902)
* CIP/Land Management Expenditures ⁶		(1,154,342)	(1,154,342)	(1,289,070)	(1,353,524)	(1,421,200)
* ADOPS Expenditures ⁸		(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
* Homeland Security Grant Expenditures				(185,329)		
Total Operating Budget ⁷	0	(19,356,220)	(19,356,220)	(20,534,400)	(21,350,064)	(22,402,567)
Estimated Underexpenditures ⁹		193,562	580,687	410,688	427,001	448,051
Other Fund Transactions						
Total Other Fund Transactions	0	0	0	0	0	0
Ending Fund Balance	0	1,634,213	1,272,331	1,747,946	2,061,876	2,143,141
Less: Reserves & Designations						
Total Reserves & Designations	0	0	0	0	0	0
Ending Undesignated Fund Balance	0	1,634,213	1,272,331	1,747,946	2,061,876	2,143,141
Target Fund Balance ¹⁰	0	1,613,018	1,613,018	1,695,756	1,779,172	1,866,881

Financial Plan Notes:

¹ Parks 2004 Levy Subfund was a new fund in 2004.

² Levy Proceeds and Delinquent Levy Collections revised by OMB September 2004.

³ Interest Earnings based on an interest rate of 2.25% in 2004 Adopted, 2.35% in 2004 Estimated, 3.225% in 2005, 4.75% in 2006 and 5% in 2007, with 20 basis point investment service fee deducted; per DNR's cash-flow/interest earnings analysis.

⁴ Growth rate of 5% for UGA and Regional/Rural Business Revenues in 2006 and 2007. 2004 Estimated and 2005 estimates based on experience and anticipated projects as of June 2004.

⁵ Growth rate of 5% for CX Transfer Revenue and Urban Growth Area CX-derived Expenditures in 2006 and 2007. The CX Transfer is used to cover costs in the Urban Growth Area (UGA); per financial plan approved by King County Council in adopting levy ordinance 14586.

⁶ Transfers from Fund 3160 and 3490 (backed by REET 1 & 2) for Capital & Land Management FTEs. 2006 and 2007 assume inflation rate of 5%.

⁷ 2004 Estimated remains as adopted and 2005 estimates are based on experience and anticipated projects. Regional/Rural Levy-derived, Regional/Rural Business Revenue-derived, and Urban Growth Area Business Revenue-derived Expenditures inflated at 5% in 2006 and 2007. \$1,461 for IT Class Comp included in 2006 Regional/Rural Levy-derived Expenditures.

⁸ Partially funds ADOPS program. Additional funds are in Parks CIP.

⁹ Estimated Underexpenditures 1% in 2004 Adopted. Estimated Underexpenditures 3% in 2004 Estimated, by design, to accommodate lower than anticipated regional business revenues. Estimated Underexpenditures 2% in 2005, 2006 and 2007. Estimated Underexpenditures include 2% Underexpenditure required for UGA Expenditures funded by CX Transfer.

¹⁰ Target Fund Balance is 1/12th of Total Expenditures (excluding Homeland Security Grant Expenditures).

PHYSICAL ENVIRONMENT PROGRAM PLAN

Youth Sports Facilities Grant 1290/0355

Code/Item #	Description	0355	Expenditures	FTEs*	TLPs
Program Area		2004 Adopted	654,451	1.00	0.00
		Status Quo **	447,949	0.00	0.00
PE					
		Status Quo Budget	1,102,400	1.00	0.00
		0 0			

Detail below shows crosswalk from 2004 adopted to 2005 adopted.

Technical Adjustment				
TA01	Technical Adjustment	(163,671)	0.00	0.00
		(163,671)	0.00	0.00
Central Rate Adjustments				
CR05	Current Expense Overhead Adjustment	944	0.00	0.00
CR08	Technology Services Infrastructure Charge	(3)	0.00	0.00
CR10	Office of Information Resource Management Charge	30	0.00	0.00
CR25	Financial Services Charge	(4,689)	0.00	0.00
CR39	COLA Adjustment	(135)	0.00	0.00
CR47	Finance Payroll Projects	27	0.00	0.00
CR01	Flexible Benefits Charge	(384)	0.00	0.00
CR46	Countywide Strategic Technology Projects	(29)	0.00	0.00
		(4,239)	0.00	0.00
2005 Adopted Budget		934,490	1.00	0.00

* FTEs do not include temporaries and overtime.

** This includes revised 2004 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Youth Sports Facilities Grants (YSFG)

Technical Adjustments

Technical Adjustments – (\$163,671). This proposal adjusts programmed expenditures and revenues due to reflect revised revenue assumptions and central rate adjustments.

Central Rate Adjustments

Central Rate Adjustments – (\$4,239). Central rate adjustments were made for Flexible Benefits, Current Expense Overhead, Technology Services Infrastructure, Office of Information Resources Management, Financial Services, COLA, Countywide Strategic Technology Projects, and Finance Payroll Projects.

C O U N C I L A D O P T E D B U D G E T

Council made no changes to the 2005 Executive Proposed Budget.

[Link to Youth Sports Facilities Grant Financial Plan, 13 KB](#)
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PHYSICAL ENVIRONMENT PROGRAM PLAN

Youth Sports Facilities Grant Fund/1290

	2003 Actual ¹	2004 Adopted ²	2004 Estimated	2005 Adopted	2006 Projected	2007 Projected
Beginning Fund Balance	695,207	704,902	1,556,111	1,061,067	691,447	694,184
Revenues						
* Auto Rental Tax ³	608,359	607,182	517,364	540,645	570,381	592,626
* Net Investment Income ⁴	16,569	13,449	22,290	24,226	28,707	30,883
Total Revenues	624,928	620,631	539,654	564,871	599,088	623,510
Expenditures						
* Programmed ⁵	(683,417)	(527,339)	(497,820)	(830,889)	(487,216)	(506,963)
* Operating ⁶	(80,607)	(127,112)	(126,385)	(103,601)	(109,136)	(114,593)
* Encumbrance Carryover			(410,493)			
Total Expenditures	(764,024)	(654,451)	(1,034,698)	(934,490)	(596,352)	(621,556)
Estimated Underexpenditures						
Other Fund Transactions						
* Transfer-in from Stadium ⁷	1,000,000					
Total Other Fund Transactions	1,000,000	0	0	0	0	0
Ending Fund Balance	1,556,111	671,082	1,061,067	691,447	694,184	696,138
Less: Reserves & Designations						
* Encumbrance Carryover	(413,299)					
* Stadium Endowment Funds ⁷	(646,257)	(646,257)	(646,257)	(646,257)	(646,257)	(646,257)
Total Reserves & Designations	(1,059,556)	(646,257)	(646,257)	(646,257)	(646,257)	(646,257)
Ending Undesignated Fund Balance	496,555	24,825	414,810	45,190	47,927	49,881
Target Fund Balance ⁸	24,997	24,825	43,172	45,190	47,927	49,881

Financial Plan Notes:

¹ 2003 Actuals are based on the 2003 CAFR.

² 2004 Adopted is from the 2004 Adopted Financial Plan.

³ Auto Rental Tax forecast revised by OMB 7/30/04.

⁴ Net Investment Income is calculated at 2.25% for 2004 Adopted; 2.35% for 2004 Estimated; 3.225% for 2005 Adopted; 4.75% for 2006 Projected; and 5% for 2007 Projected, with 20 basis point investment service fee deducted.

⁵ 2004 Estimated Programmed Expenditures are based on the actual grants awarded in 2004. 2005 Adopted, and 2006 and 2007 Projected are funded at the level that allows YSFG to meet their Target Fund Balance in 2005, 2006 and 2007.

⁶ Operating Expenditures consist of salaries, benefits and O&M costs. 2004 Estimated is based on 2004 Adopted. 2005 Adopted is adjusted to estimated 2005 levels. 2006 and 2007 Projected are inflated at 5% each year, based on 2005 Proposed.

⁷ Per proviso 13-2 in the 2002 Adopted Budget Ordinance #14265, \$646,257 was to be transferred into YSFG from the Stadium Fund (proceeds from the sale of Stadium property). However, per the 2003 2nd Quarter Omnibus #14279, \$1M was transferred into YSFG from the Stadium in 2003. According to the proviso, \$646,257 of these funds cannot be expended or encumbered, but may be used to establish an endowment. The income generated by the \$646,257, however, can be used to support ongoing grants programs. The \$353,743 difference between the anticipated \$646,257 Stadium Fund Balance expected to be transferred to YSFG and the \$1M actually transferred per the 2003 2nd Quarter Omnibus #14729 will be available for programming in 2005. Proceeds (amount unknown at this time) from the sale of the Johnson Building and any other remaining Stadium property (after accounting for the set-aside to support housing provided for in Ordinance #13262 and for any negative fund balance remaining after termination of the stadium) will be transferred to YSFG as well, to supplement the YSFG endowment.

⁸ Prior to 2005 the Target Fund Balance was 4% of Total Revenues. After the 2004 Budget was adopted, the Target Fund Balance was revised to 8% of Total Revenues.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Solid Waste 4040/0720

Code/Item #	Description	0720	Expenditures	FTEs*	TLPs
Program Area		2004 Adopted	86,024,853	377.43	5.00
		Status Quo **	1,201,465	(18.00)	0.00
PE					
		Status Quo Budget	87,226,318	359.43	5.00
		0 0			

Detail below shows crosswalk from 2004 adopted to 2005 adopted.

Program Change					
PC02	Groundwater Program in WLRD		(70,000)	0.00	0.00
			(70,000)	0.00	0.00
Revenue Backed					
RB03	Tonnage Increase		595,326	5.20	0.00
RB01	2004 Supplemental Annualization Request		2,570,473	26.00	0.00
RB02	Regional Direct Tonnage to Transfer System		1,701,540	15.21	0.00
			4,867,339	46.41	0.00
Technical Adjustment					
TA09	Costs Charged to LFPCM		(398,120)	0.00	0.00
TA01	Efficiencies in Capital Asset Maintenance		(318,300)	0.00	0.00
TA02	Contribution to Capital Equipment Fund		1,140,000	0.00	0.00
TA03	Remove Transfer to Construction Fund		(4,090,000)	0.00	0.00
TA04	Adjustments to Bring Accounts to Zero-Based		(1,249,534)	0.00	0.00
TA05	Harbor Island Costs		181,602	0.00	0.00
TA06	Laboratory Services and Emissions Testing		101,957	0.00	0.00
TA07	Reduction of Programs Funded by LHWMP		(376,900)	0.00	0.00
TA08	Landfill Reserve Fund Transfer		(2,015,200)	0.00	0.00
TA10	Landfill Rent		210,000	0.00	0.00
TA50	Revenue Adjustments		0	0.00	0.00
TA11	Solid Waste Comp Plan/Waste Export Plan		586,045	0.00	1.00
			(6,228,450)	0.00	1.00
Central Rate Adjustments					
CR36	Property Services Lease Administration Fee		(1,714)	0.00	0.00
CR21	Debt Service Adjustment		(335,807)	0.00	0.00
CR47	Finance Payroll Projects		(1,357)	0.00	0.00
CR46	Countywide Strategic Technology Projects		(10,659)	0.00	0.00
CR15	Insurance Charges		(581,987)	0.00	0.00
CR22	Long Term Leases		(20,627)	0.00	0.00
CR38	Major Maintenance Repair Fund		(7,940)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge		191,420	0.00	0.00
CR28	Equipment Repair and Replacement		5,159	0.00	0.00
CR25	Financial Services Charge		(23,059)	0.00	0.00
CR11	Telecommunications Services		4,485	0.00	0.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

Solid Waste 4040/0720

Code/Item #	Description	0720	Expenditures	FTEs*	TLPs
CR01	Flexible Benefits Charge		(159,520)	0.00	0.00
CR05	Current Expense Overhead Adjustment		174,535	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge		5,794	0.00	0.00
CR08	Technology Services Infrastructure Charge		(71,704)	0.00	0.00
CR13	Motor Pool Usage Charge		(7,380)	0.00	0.00
CR09	Geographic Information Systems Charge		22,162	0.00	0.00
CR10	Office of Information Resource Management Charge		13,390	0.00	0.00
CR12	Telecommunications Overhead		335	0.00	0.00
CR39	COLA Adjustment		17,278	0.00	0.00
			(787,196)	0.00	0.00
	Council Changes				
CC01	Reduction of Positions		(62,924)	(1.04)	0.00
			(62,924)	(1.04)	0.00
		2005 Adopted Budget	84,945,087	404.80	6.00

* FTEs do not include temporaries and overtime.

** This includes revised 2004 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Solid Waste Division (SWD)

Business Plan Review

The primary change dynamic driving the division in 2004 and into 2005 is the implementation of business efficiencies detailed in the Solid Waste Business Plan. The efficiencies are intended to make the division's services and programs more cost effective, while ensuring that rates remain low and stable over time. Additional operations staff is needed to handle the increase in solid waste tonnage received in 2004 and projected into 2005.

The change dynamic of planning for the closure of Cedar Hills Landfill early in the next decade and subsequent waste export to remote landfills is the key driver behind the transfer station improvements at Bow Lake and First NE Transfer Station. Due to system-wide issues, that will be addressed in the waste export plan due to be transmitted to Council in December 2005, the facility master plan efforts at Houghton and Factoria transfer stations have been put on hold pending the results of this planning effort.

Program Changes

Groundwater Program in WLRD - (\$70,000) expenditures. This proposal will remove temporary funding for the Groundwater Program to the Water and Land Resources Division (WLRD) as agreed.

Revenue Backed Additions

2004 Supplemental Annualization Request - \$2,570,473 expenditures and 26.00 FTEs. This represents costs and personnel for additional tonnage brought to transfer stations by customers as a result of a change in the regional direct rate adopted by Council in December 2003. The request includes a full year of costs of the 2004 supplemental request sent to Council in July 2004 and adopted in September 2004.

Regional Direct Tonnage to Transfer System - \$1,701,540 expenditures and 15.21 FTEs. This represents adjustments implement the County's regional direct fee structure for all customers in 2005. In 2004 the Division's fee structure reduced the customer's incentive to bring waste directly to the Cedar Hills Landfill. As expected this action has resulted in haulers diverting more waste to transfer stations.

Tonnage Increase - \$595,326 expenditures and 5.20 FTEs. This proposal would adjust costs and personnel in anticipation of additional tonnage in 2005 that is forecasted in 2005. This increase is the result in a projected increase in overall tonnage to the system.

Technical Adjustments

Efficiencies in Capital Asset Maintenance - (\$318,300) expenditures. This proposal will allow for one-time reduction to costs based on lower work order contracts in 2005.

Contribution to Capital Equipment Fund - \$1,140,000 expenditures. This proposal will adjust expenditures for a scheduled transfer to provide the fund with resources needed for the timely replacement of equipment.

Remove Transfer to the Construction Fund - (\$4,090,000) expenditures. This request will remove a one-time transfer made in 2004 to partially fund the Harbor Island purchase.

Adjustments to Bring Accounts to Zero-Based - (\$1,249,534) expenditures. This proposal will make various routine annual adjustments to expenditures to reflect the anticipated 2005 needs.

Harbor Island Costs - \$181,602 expenditures. This proposal will provide for annual operating and maintenance costs such as utilities, permits, and maintenance of the building.

Laboratory Services and Emissions Testing - \$101,957 expenditures. This proposal will adjust expenditures in the environmental monitoring and flare testing program to anticipated 2005 levels.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Reduction of Programs Funded by LHWMP - (\$376,900) expenditures. This represents a reduction to the Solid Waste hazardous waste programs as a result of the reductions to the funding from LHWMP.

Landfill Reserve Fund Transfer - (\$2,015,200) expenditures. This proposal will adjust expenditures to 2005 levels for the transfer to Landfill Reserve Fund (CIP Fund 3910).

Costs Charged to LFPCM - (\$398,120) expenditures. This proposal will reduce labor costs due to full cost recovery to be paid by the Landfill Post-Closure Fund (LFPCM) for loan in/out labor.

Landfill Rent - \$210,000 expenditures. This represents the annual 3.00% increase to the payment to CX for the Cedar Hill property as agreed.

Solid Waste Comprehensive Plan/Waste Export Plan - \$586,045 expenditures and 1.00 TLT. This proposal will provide for staff and consultant support to develop a waste export system plan as set forth by the 2001 Comprehensive Solid Waste Management plan.

Central Rate Adjustments

Central Rate Adjustments – (\$787,196). Central rate adjustments include: Retirement, ITS Infrastructure and O&M, Telecommunications Services and O&M, GIS, CX Overhead, Risk Abatement, Debt Service Adjustment, Insurance, OIRM, Long Term Lease and Lease Administration Fee, Finance, PAO, Insurance, Countywide Strategic Technology Projects, Finance Payroll Projects, Debt Service Adjustment, Major Maintenance Repair, Motor Pool, Cell Phone/Pager Services, COLA, and Flex Benefits.

C O U N C I L A D O P T E D B U D G E T

Reduction of Positions – (\$62,294) and (1.04)FTE. Council reduced 1.04 truck driver positions from the 2005 Executive Proposed Budget.

[Link to Solid Waste Division Financial Plan, 15 KB .pdf](#)

PHYSICAL ENVIRONMENT PROGRAM PLAN

Solid Waste Division / 4040

	2003 Actual ¹	2004 Adopted	2004 Estimated ²	2005 Adopted	2006 Projected ³	2007 Projected ³
Beginning Undesignated Fund Balance	16,283,548	18,399,234	20,954,636	16,740,232	21,501,247	18,133,825
Prior Year Carryovers	3,296,467		4,114,290			
Adjusted Beginning Fund Balance	19,580,015	18,399,234	25,068,926	16,740,232	21,501,247	18,133,825
Revenues						
* Net Disposal Fees ^{4,5}	75,673,022	74,031,261	78,933,100	82,816,515	85,427,066	87,603,223
* Moderate Risk Waste	2,839,659	3,426,000	3,426,000	2,949,100	3,037,573	3,128,700
* CDL Revenues	532,217	680,000	453,333	0	0	0
* Grants	714,643	838,100	806,100	882,468	306,000	306,000
* Landfill Gas to Energy					300,000	480,000
* Insurance Revenue, Brighton	1,172,500					
* Harbor Island Revenue ⁶		264,000				
* Other ⁷	1,790,026	902,150	902,450	1,345,526	1,767,081	1,856,830
* DNR Administration	4,646,463	5,060,860	4,835,418	4,523,068	4,658,760	4,798,523
Total Revenues	87,368,529	85,202,371	89,356,401	92,516,677	95,496,480	98,173,276
Expenditures						
* Solid Waste Division	(54,329,271)	(56,120,734)	(56,625,536)	(60,478,220)	(63,816,240)	(67,269,944)
* Landfill Reserve Fund Transfer ⁸	(10,835,726)	(10,151,650)	(10,523,700)	(8,136,450)	(8,645,851)	(9,127,793)
* CERP Fund Transfer	(2,369,600)	(1,880,000)	(1,780,000)	(2,919,966)	(3,065,306)	(3,119,211)
* Construction Fund Transfer ^{9,10}		(4,090,000)	(4,090,000)	0	(4,000,000)	(4,000,000)
* Rent, Cedar Hills		(7,000,000)	(7,000,000)	(7,210,000)	(7,426,300)	(7,649,089)
* Debt Service - Existing	(6,392,848)	(6,598,552)	(6,252,274)	(6,262,745)	(6,272,857)	(6,290,636)
* Debt Service - New Facilities					(2,792,768)	(5,825,479)
* Risk Abatement		(183,917)		0		
* Total Expenditures from Prior Year Carryover	(3,296,467)		(4,114,290)			
* Supplemental Omnibus - SWD ⁸			(2,620,804)			
* 2nd Quarter Omnibus - SWD			(49,351)	0		
* Council Change - Reduction of Positions				62,294		
* DNR Administration	(4,655,706)	(4,857,224)	(4,835,418)	(4,509,975)	(4,658,760)	(4,798,523)
* 2nd Quarter Omnibus - DNR Admin Only			(55,689)	0		
Total Expenditures	(81,879,618)	(90,882,077)	(97,947,062)	(89,455,062)	(100,678,082)	(108,080,675)
Estimated Underexpenditures ¹¹		1,555,699	261,967	1,699,400	1,814,180	1,915,057
Other Fund Transactions						
*						
*						
Total Other Fund Transactions	0	0	0	0	0	0
Ending Fund Balance	25,068,926	14,275,227	16,740,232	21,501,247	18,133,825	10,141,483
Reserves & Designations						
* Encumbrances - SWD	(3,721,782)					
* Encumbrances - DNR Administration	(169,440)					
* Unencumbered Carryovers	(223,068)					
Total Reserves & Designations	(4,114,290)	0	0	0	0	0
Ending Undesignated Fund Balance	20,954,636	14,275,227	16,740,232	21,501,247	18,133,825	10,141,483
Target Fund Balance ¹²	6,791,159	7,015,092	7,078,192	7,559,778	7,977,030	8,408,743

Financial Plan Notes:

¹ 2003 Actuals are from the 2003 CAFR and 14th Month ARMs Report.

² 2004 Estimated is based on disposal of 990,000 tons while the 2004 Adopted was based on disposal of 955,000 tons.

³ 2005 and 2006 Projected are based on 3% inflation, tonnage driven adjustments to variable costs, and other anticipated changes from 2004 expenditures.

PHYSICAL ENVIRONMENT PROGRAM PLAN

- ⁴ Regional direct tip fee revenues are based on the May 4, 2004 legal decision. Waste Management shifted regional direct tonnage to transfer stations following a regional direct fee increase to \$69.50 per ton on May 18, 2004. Rabanco's regional direct fee remains at \$59.50 per ton. The tonnage forecast assumes that the two haulers will entirely eliminate regional direct tonnage by January of 2005 except for recycling residuals from Waste Management's Woodinville facility.
- ⁵ Revenue is based on the Solid Waste Division's June 2004 long-term tonnage forecast. Forecast disposal is 1,004,500 tons in 2005, 1,036,300 tons in 2006, and 1,062,200 tons in 2007.
- ⁶ Harbor Island lease revenues were budgeted in the 2004 Adopted Solid Waste operating fund budget. The 2004 Estimated column does not include these revenues because they will be recognized as revenues to the Solid Waste Construction Fund.
- ⁷ Other Revenue is comprised of Recycling Revenues, interest earnings, and other miscellaneous revenues.
- ⁸ Totals for debt service and the Landfill Reserve Fund (LRF) transfer include changes to these expenditures in the 2004 supplemental. The LRF transfer is higher than the original budget due to increased tonnage while debt service is lower due to refinancing of existing debt. All other supplemental expenditures are included in the supplemental budget line item.
- ⁹ The \$4.09 million transfer to the Construction Fund reimburses that fund for a portion of the cost of the purchase of Harbor Island.
- ¹⁰ Transfer to reduce the amount of bond financing for transfer system capital improvement projects.
- ¹¹ Under expenditures equal 3% of Solid Waste Division operating expenditures, excluding grant funded expenditures. The underexpenditure assumption for 2004 Estimated is 0.5%.
- ¹² Minimum target fund balance is based on a 45-day cash reserve policy (SWD operating expenditures multiplied by 45/360)

PHYSICAL ENVIRONMENT PROGRAM PLAN

Solid Waste Post-Closure Landfill Maintenance 1040/0715

Code/Item #	Description	0715	Expenditures	FTEs*	TLPs
Program Area		2004 Adopted	6,416,590	0.00	0.00
		Status Quo **	2,681	0.00	0.00
PE					
		Status Quo Budget	6,419,271	0.00	0.00
		0 0			

Detail below shows crosswalk from 2004 adopted to 2005 adopted.

Program Change					
PC02	Establish Funding for Allocation of SWD Overhead		294,000	0.00	0.00
PC03	Site Maintenance Staff		61,940	1.00	0.00
PC01	Remove Transfer to SW Construction Fund		(4,380,000)	0.00	0.00
			(4,024,060)	1.00	0.00
Technical Adjustment					
TA04	Construction Adjustments		395,000	0.00	0.00
TA05	Utility and Operating Permit Adjustment		5,269	0.00	0.00
TA06	Equipment Use Cost Adjustment		(33,552)	0.00	0.00
TA02	Supplies and Equipment Adjustment		(42,437)	0.00	0.00
TA07	Maintenance, Repairs, and Rent Adjustments		(47,165)	0.00	0.00
TA03	Consulting and Professional Services Adjustment		347,913	0.00	0.00
TA50	Revenue Adjustment		0	0.00	0.00
TA01	Loan In/Loan Out Labor Adjustments		126,487	0.00	0.00
			751,515	0.00	0.00
Central Rate Adjustments					
CR47	Finance Payroll Projects		(25)	0.00	0.00
CR39	COLA Adjustment		996	0.00	0.00
CR25	Financial Services Charge		377	0.00	0.00
CR05	Current Expense Overhead Adjustment		339	0.00	0.00
CR01	Flexible Benefits Charge		(384)	0.00	0.00
			1,303	0.00	0.00
2005 Adopted Budget			3,148,029	1.00	0.00

* FTEs do not include temporaries and overtime.

** This includes revised 2004 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

SWD – Landfill Post-Closure Maintenance

Program Changes

Remove Transfer to SW Construction Fund – (\$4,380,000) expenditures. This proposal will remove a one-time transfer made in 2004 to partially fund the Harbor Island purchase.

Establish Funding for Allocation of SWD Overhead - \$294,000 expenditures. This proposal will allow for full cost recovery of personnel, including indirect costs, loaned out from the Solid Waste Operating Fund.

Site Maintenance Staff - \$61,940 expenditures and 1.00 FTE. This proposal would add a utility worker to work exclusively on site maintenance at closed landfills.

Technical Adjustments

Loan In/Loan Out Labor Adjustments - \$126,487 expenditures. This proposal allows for adjustments of labor and benefits to revised projections based on historical values and projected labor hours. The level of service will remain in compliance with the standards regulated by Health Department and Department of Ecology.

Supplies and Equipment Adjustment - (\$42,437) expenditures. This proposal will adjust to anticipated needs in 2005.

Consulting and Professional Services Adjustments - \$347,913 expenditures. This proposal allows for adjustments of consulting and professional services. The increase is primarily due to the transition of Vashon from the Landfill Reserve fund.

Construction Adjustments - \$395,000 expenditures. This proposal will adjust to anticipated needs in 2005. Increases are primarily for road improvements at Vashon and for groundwater remediation at Hobart.

Utility and Operating Permit Adjustments - \$5,269 expenditures. This proposal will adjust to anticipated needs for utilities and the operating permit.

Equipment Use Cost Adjustment - (\$33,552) expenditures. This proposal will adjust numerous low bids to meet anticipated needs for vehicle usage.

Maintenance, Repairs, and Rent Adjustments - (\$47,165) expenditures. This proposal would adjust levels of funds allocated for work to maintain SWD closed/custodial landfills.

Central Rate Adjustments

Central Rate Adjustments – \$1,303. Central rate adjustments include: CX Overhead, Finance, Flexible Benefits, COLA, and Finance Payroll Projects.

C O U N C I L A D O P T E D B U D G E T

Council made no changes to the 2005 Executive Proposed Budget.

[Link to Landfill Post-Closure Maintenance Financial Plan,](#)
11 KB .pdf

PHYSICAL ENVIRONMENT PROGRAM PLAN

Landfill Post-Closure Maintenance Fund / 1040

	2003 Actual ¹	2004 Adopted	2004 Estimated ²	2005 Adopted	2006 Projected ³	2007 Projected ³
Beginning Fund Balance	32,039,375	30,611,753	30,961,906	24,710,546	22,356,841	21,622,323
Revenues						
* Investment interest income ⁴	866,281	954,334	709,532	699,883	977,093	995,476
*						
Total Revenues	866,281	954,334	709,532	699,883	977,093	995,476
Expenditures						
* Operating expenditures	(1,943,750)	(6,416,590)	(6,416,590)	(3,148,029)	(1,764,547)	(1,766,495)
* Carryover items			(759,587)			
*						
Total Expenditures	(1,943,750)	(6,416,590)	(7,176,177)	(3,148,029)	(1,764,547)	(1,766,495)
Estimated Underexpenditures ⁵		192,498	215,285	94,441	52,936	52,995
Other Fund Transactions						
*						
*						
Total Other Fund Transactions	0	0	0	0	0	0
Ending Fund Balance	30,961,906	25,341,995	24,710,546	22,356,841	21,622,323	20,904,299
Reserves & Designations						
* Program Contingency	(906,070)	(760,260)	(741,316)	(670,705)	(648,670)	(627,129)
* Reserves for Closed Landfill O & M	(21,141,623)	(17,739,396)	(17,297,382)	(15,649,789)	(15,135,626)	(14,633,009)
* Reserves for Custodial Landfill O & M	(8,154,626)	(6,842,339)	(6,671,847)	(6,036,347)	(5,838,027)	(5,644,161)
* Encumbrance carryover	(759,587)					
Total Reserves & Designations	(30,961,906)	(25,341,995)	(24,710,546)	(22,356,841)	(21,622,323)	(20,904,299)
Ending Undesignated Fund Balance	0	0	0	0	0	0

Target Fund Balance ⁶						
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Financial Plan Notes:

¹ 2003 Actuals are from final 14th month ARMS and CAFR.

² 2004 Estimated is based on current projections.

³ 2006 and 2007 Projected are based on anticipated future requirements that are reviewed annually.

⁴ Investment Income is based on projections of 3.025%, 4.55%, and 4.80% for the years 2005, 2006, and 2007 respectively.

⁵ Estimated Underexpenditures is based on 3% of Total Expenditures.

⁶ No target fund balance is required other than noted for projected required reserves and contingency.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Wastewater Treatment 4610/4000M

Code/Item #	Description	4000M	Expenditures	FTEs*	TLPs
Program Area		2004 Adopted	84,640,000	596.60	43.00
		Status Quo **	2,220,000	(0.50)	(8.00)
PE					
		Status Quo Budget	86,860,000	596.10	35.00
		0 0			

Detail below shows crosswalk from 2004 adopted to 2005 adopted.

Technical Adjustment					
TA06	IT Class Comp Reserve		46,000	0.00	0.00
TA50	Revenue Adjustments		0	0.00	0.00
TA09	Additional Productivity Initiative Reductions		(286,000)	0.00	0.00
TA08	Loan Out Labor Adjustment		254,039	0.00	0.00
TA05	Local 925 Reserve		285,478	0.00	0.00
TA03	LAN FTE for Brightwater and Database Admin FTE		0	2.00	0.00
TA02	Technical Adjustments		(755,938)	0.00	1.00
TA01	Division-wide Productivity Initiative		347,691	(0.40)	(1.00)
TA04	Capacity Charge FTE		57,233	1.00	0.00
			(51,497)	2.60	0.00
Central Rate Adjustments					
CR36	Property Services Lease Administration Fee		(3,322)	0.00	0.00
CR47	Finance Payroll Projects		17,781	0.00	0.00
CR38	Major Maintenance Repair Fund		(15,621)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge		1,748	0.00	0.00
CR01	Flexible Benefits Charge		(243,840)	0.00	0.00
CR15	Insurance Charges		(53,440)	0.00	0.00
CR08	Technology Services Infrastructure Charge		10,312	0.00	0.00
CR10	Office of Information Resource Management Charge		17,915	0.00	0.00
CR39	COLA Adjustment		(93,604)	0.00	0.00
CR13	Motor Pool Usage Charge		(1,338)	0.00	0.00
CR05	Current Expense Overhead Charge		25,686	0.00	0.00
CR18	Radio Direct Charges		11,985	0.00	0.00
CR20	Prosecuting Attorney Civil Division		57,520	0.00	0.00
CR22	Long Term Leases		(40,880)	0.00	0.00
CR25	Financial Services Charge		219,558	0.00	0.00
CR27	Industrial Insurance Rate Adjustment		141,623	0.00	0.00
CR29	Wastewater Vehicles		(16,104)	0.00	0.00
CR12	Telecommunications Overhead		15,518	0.00	0.00
			51,497	0.00	0.00
2005 Adopted Budget			86,860,000	598.70	35.00

* FTEs do not include temporaries and overtime.

** This includes revised 2004 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

Proviso(s):

ER1 EXPENDITURE RESTRICTION: From Category III funds (Culver Program), the following amounts shall be spent solely on the following:

PHYSICAL ENVIRONMENT PROGRAM PLAN

Wastewater Treatment Division (WTD)

Business Plan Review

The Division's business plan includes several change dynamics that are driving its sizable capital program, including: regulatory changes requiring improvements to the existing conveyance system and plants to prevent overflows, as well as improvements to prevent combined sewer overflows (CSOs). Population growth, and changes in demographics and water uses are driving the need for new conveyance and treatment capacity. The new Brightwater plant and associated outfall and conveyance system are being built to address these changes. The infiltration and inflow (I&I) of surface water into the sewer system is driving the need for projects to explore ways of reducing this I&I.

WTD Operating

Technical Adjustments

Division-wide Productivity Initiative – \$347,691, (.4) FTE and (1.0) TLT. This proposal supports the Productivity Initiative (PI) which requires overall reductions within the core service areas of WTD. The PI reduction was \$1.5M in 2005. These adjustments will be absorbed within the \$25.60 rate.

Technical Adjustments – (\$755,938) and 1.0 TLT. This proposal consists of technical adjustments that have occurred since the 2004 sewer rate was adopted.

LAN FTE for Brightwater and Database Admin FTE – 2.0 FTEs. The Information Systems Analyst I will provide LAN and other information systems support for the new Brightwater administrative office in Woodinville, which is scheduled to open in the fall of 2004. The Information Systems Analyst II will provide database administration for the entire capital program, including Brightwater, and will support all aspects of WTD's project based information. WTD's "Computer Systems Planning Study Final Report", issued September 2002, recommends this database administration position. Both positions are charged out 100% to the capital and result in no cost to the operating budget.

Capacity Charge FTE – \$57,233 and 1.0 FTE. This Fiscal Services Specialist I will work in the Accounts Receivable area of the Capacity Charge Program. This program has 60,000 active customer accounts, an anticipated 9,000 new accounts each year, and currently only 4 FTEs carrying the load. The cost will be absorbed within the \$25.60 rate.

Local 925 Reserve – \$285,478. This amount has been included in anticipation of adoption of the Local 925 Collective Bargaining Agreement. This adjustment will be absorbed within the \$25.60 rate.

IT Class Comp Reserve – \$46,000. This amount has been included to offset the impact of IT Class Comp. This adjustment will be absorbed within the \$25.60 rate.

Loan Out Labor Adjustment – \$254,039. This adjustment is a result of reconciling loan out labor to capital after all adjustments have been made to salaries and benefits. This adjustment will be absorbed within the \$25.60 rate.

Additional Productivity Initiative Reductions – (\$286,000). This proposal consists of East and West Plant Overtime reductions taken to absorb the additional impact of the Local 925 Collective Bargaining Agreement.

Central Rate Adjustments

Central Rate Adjustments – \$51,497. Central rate adjustments were made for Flexible Benefits, Current Expense Overhead, Technology Services O&M, Technology Services Infrastructure, Office of Information Resource Management, Telecommunications Overhead, Motor Pool Usage, Insurance, Radio Direct Charges, Prosecuting Attorney Civil Division, Long-term Leases, Financial Services,

Industrial Insurance, Wastewater Vehicles, Property Services Lease Administration Fee, Major Main-

PHYSICAL ENVIRONMENT PROGRAM PLAN

tenance Repair Fund, COLA and Finance Payroll Projects.

WTD Debt Service

Technical Adjustments

Technical Adjustment – (\$66,000). According to the proposed financial plan, debt service will be \$66,000 less than 2005 PSQ.

WTD Operating - 2006 Second Year Budget

The intent to maintain a stable two-year sewer rate and a three year capacity charge presents an excellent opportunity for the County to explore the use of biennial budgeting for the 2005 - 2006 biennium. While not resulting in an adopted biennial budget, the division will follow the same steps involved in developing and implementing a two year budget and then use the 2006 budget included here as the target during next years budget process.

The process that WTD will follow in developing a biennial budget starts when the final Executive Proposed Budget is completed and entered into Essbase, the County's central budgeting system. The 2006 budget will be entered into Essbase and balanced to the expenditure projection forecasted when the 2005/2006 rate was adopted. These numbers are summarized below and in the WTD financial plan. While only summary numbers are provided here the 2006 budget is detailed in Essbase down to the account level. As part of the Executive's Biennial Budget Pilot project the second year of the biennial budget was entered into Essbase and balanced to the projected expenditure amount included with the 2005 rate ordinance. The summary below presents the second year (2006) of the WTD Biennial Budget for operations:

Salaries & Benefits	\$34,602,635
Supplies	\$8,657,739
Services & Other Charges	\$18,774,778
Intragovernmental Service	\$27,032,220
Other	<u>\$2,473,628</u>
 Total 2006 Budget	 \$91,541,000

It is expected that a full county biennial budget would include a detailed discussion of changes that were anticipated in the first year and a summary of changes that were anticipated in the second year.

The 2006 budget in Essbase will then be used as the target bottom line for development of the 2006 Executive Proposed budget for WTD. Change packages similar to those used by departments currently will be developed for changes to the 2006 WTD budget. The change packages with the revised revenue estimates and financial plan will be reviewed by the budget office and presented to the Executive for final decision. Final decisions will be entered into the County's budget system and will be included in the 2006 Executive Proposed Budget. It is anticipated that this final step will be greatly simplified and completed early in 2006.

After adoption of the 2006 budget, the results of the pilot biennial budget process will be evaluated. If it is determined to move forward on the next steps of further implementing the biennial budget process, a transition plan will be developed, including any system changes that have been identified, so that the County will be able to convert to a biennial budget process.

C O U N C I L A D O P T E D B U D G E T

PHYSICAL ENVIRONMENT PROGRAM PLAN

WTD Operating

Council made no changes to the 2005 Executive Proposed Budget.

Council Budget Provisos:

ER1 EXPENDITURE RESTRICTION:

From Category III funds (Culver Program), the following amounts shall be spent solely on the following:

Natural Yard Care \$50,000

Water Quality Awareness \$95,953

Waterworks Block Grant – Local Projects \$315,000

Waterworks Block Grant Program Management \$131,947

Friends of Issaquah Salmon Hatchery \$20,000

Friends of Hylebos \$80,000

Friends of the Trail \$50,000

Salmon Homecoming Celebration \$30,000

EarthCorps \$300,000

WSU Coop Extension \$200,000

WLRD WQ Splash Grants \$30,000.

WTD Debt Service

Council made no changes to the 2005 Executive Proposed Budget.

[Link to Wastewater Treatment Enterprise Financial Plan,](#)
9 KB .pdf

PHYSICAL ENVIRONMENT PROGRAM PLAN

Wastewater Treatment Enterprise Fund Fund 4610/4616

Dollars in Thousands	2003 Actual	2004 Adopted	2004 Estimated	2005 Adopted	2006 Projected	2007 Projected
CUSTOMER EQUIVALENTS (RCEs)	685.06	684.25	685.06	688.49	691.93	698.85
MONTHLY RATE	\$23.40	\$23.40	\$23.40	\$25.60	\$25.60	\$28.55
BEGINNING OPERATING FUND	28,946	7,666	7,433	7,696	17,279	8,731
OPERATING REVENUE:						
Customer Charges	191,919	192,138	192,365	211,503	212,560	239,426
Investment Income	5,072	4,828	2,384	4,816	4,694	5,584
Capacity Charge	15,376	14,461	15,729	19,977	22,711	25,441
Rate Stabilization	0		0	(9,250)	9,250	0
Other Income	6,862	6,950	6,950	7,158	7,373	7,594
TOTAL OPERATING REVENUES	219,229	218,377	217,428	234,205	256,588	278,046
OPERATING EXPENSE	(82,887)	(84,640)	(84,640)	(86,860)	(91,541)	(95,383)
DEBT SERVICE REQUIREMENT PARITY DEBT	(93,361)	(103,518)	(100,306)	(112,877)	(124,142)	(138,400)
SUBORDINATED DEBT SERVICE	(3,249)	(6,564)	(7,257)	(7,615)	(11,301)	(11,796)
DEBT SERVICE COVERAGE RATIO PARITY DEBT	1.46	1.29	1.32	1.31	1.33	1.32
DEBT SERVICE COVERAGE RATIO TOTAL PAYMENTS	1.41	1.15	1.17	1.16	1.15	1.15
LIQUIDITY RESERVE CONTRIBUTION	(487)	(30)	(263)	(333)	(702)	(576)
TRANSFERS TO CAPITAL	(61,245)	(23,625)	(24,962)	(26,520)	(28,902)	(31,891)
RATE STABILIZATION RESERVE	0	0	0	9,250	0	0
OPERATING LIQUIDITY RESERVE BALANCE	7,433	7,696	7,696	8,029	8,731	9,307
OPERATING FUND ENDING BALANCE	7,433	7,696	7,696	17,279	8,731	9,307
CONSTRUCTION FUND						
BEGINNING FUND BALANCE	65,921	9,044	5,000	5,697	5,007	5,001
REVENUES:						
Parity Bonds	0	193,500	211,000	182,850	173,300	237,512
Variable Debt Bonds	6,700	0	0	4,500	24,936	27,275
Grants & Loans	94,157	30,848	35,922	13,685	1,936	0
Other	4,702	2,140	2,140	2,100	2,000	2,000
Transfers From Operating Fund	61,245	23,625	24,962	26,520	28,902	31,891
TOTAL REVENUES	166,804	250,113	274,023	229,654	231,073	298,678
CAPITAL EXPENDITURES	(228,498)	(234,855)	(234,855)	(223,278)	(223,491)	(292,778)
DEBT ISSUANCE COSTS	(34)	(3,870)	(2,144)	(3,680)	(3,591)	(4,887)
BOND RESERVE TRANSACTIONS	0	(12,322)	0	0	0	0
AMOUNTS TO ASSET MANAGEMENT RESERVE	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	0
ADJUSTMENTS	3,807	(193)	(33,327)	(388)	(997)	(1,006)
ENDING FUND BALANCE	5,000	4,917	5,697	5,007	5,001	5,008
CONSTRUCTION FUND RESERVES						
Bond & SRF Reserves	68,492	80,964	68,634	68,979	69,932	70,892
Policy Reserves	11,906	9,900	14,946	17,989	21,033	21,079
TOTAL FUND RESERVES	80,398	90,863	83,580	86,968	90,965	91,971
CONSTRUCTION FUND BALANCE	85,398	95,780	89,277	91,975	95,966	96,979

PHYSICAL ENVIRONMENT PROGRAM PLAN

Water & Land Resources (WLRD) 1210/0741

Code/Item #	Description	0741	Expenditures	FTEs*	TLPs
Program Area		2004 Adopted	39,467,670	338.10	25.00
		Status Quo **	1,489,947	(1.00)	(4.00)
PE					
		Status Quo Budget	40,957,617	337.10	21.00
		0 0			

Detail below shows crosswalk from 2004 adopted to 2005 adopted.

Administrative Service Reductions					
AS02	Strategic Initiatives Staffing Reductions		(144,772)	(0.30)	(1.50)
AS01	Finance & Administration Staffing Reductions		(178,170)	(2.67)	0.00
			(322,942)	(2.97)	(1.50)
Direct Service Reductions					
DS02	Environmental Lab Staffing Reductions		(137,710)	0.00	(2.00)
DS03	LAWS Staffing Reductions		(312,882)	(2.75)	(1.00)
DS04	LAWS Lake Stewardship Reductions		(211,129)	(2.00)	0.00
DS05	LAWS Hazardous Waste Reductions		(459,770)	(1.90)	0.00
DS06	Rural Program Staffing Reductions		(156,424)	(2.00)	0.00
DS07	Science Staffing Reductions		(628,196)	(4.00)	(3.25)
DS09	Stormwater Services Staffing Reduction		(2,172)	0.00	0.00
			(1,908,283)	(12.65)	(6.25)
Program Change					
PC03	ORRP CAO Implementation		464,238	4.16	0.00
PC02	LAWS Community Outreach - Brightwater		167,786	1.58	0.00
PC04	Science WTD Reinvestments		255,334	2.60	0.00
PC05	Strategic Initiatives - Groundwater Program		690,060	1.00	0.00
PC06	Strategic Initiatives Regional WQ Funding		92,369	1.00	0.00
PC08	PAYG Capital Increase		807,252	0.00	0.00
PC01	LAWS CAO Implementation		45,247	0.98	0.49
			2,522,286	11.32	0.49
Technical Adjustment					
TA50	Annual Revenue Adjustments		0	0.00	0.00
TA06	Science Technical Adjustments		64,775	1.00	(1.00)
TA05	Rural Programs Technical Adjustments		(266,507)	(3.66)	0.00
TA04	LAWS Technical Adjustments		(32,011)	(1.98)	(0.49)
TA03	Environmental Lab Technical Adjustments		(211,588)	0.00	0.00
TA02	CPOSA Technical Adjustments		(235,335)	1.00	0.00
TA01	Administration Technical Adjustments		(165,909)	0.00	0.00
TA08	Stormwater Technical Adjustments		(8,959)	(1.00)	0.00
TA09	Final CIP Adjustment		(100,000)	0.00	0.00
TA07	Strategic Initiatives Technical Adjustments		(136,213)	(0.90)	0.00
			(1,091,747)	(5.54)	(1.49)

PHYSICAL ENVIRONMENT PROGRAM PLAN**Water & Land Resources (WLRD) 1210/0741**

Code/Item #	Description	0741	Expenditures	FTEs*	TLPs
Central Rate Adjustments					
CR09	Geographic Information Systems Charge		(95,544)	0.00	0.00
CR10	Office of Information Resource Management Charge		10,344	0.00	0.00
CR47	Finance Payroll Projects		27,502	0.00	0.00
CR11	Telecommunications Services		(15,102)	0.00	0.00
CR12	Telecommunications Overhead		442	0.00	0.00
CR13	Motor Pool Usage Charge		720	0.00	0.00
CR15	Insurance Charges		69,884	0.00	0.00
CR38	Major Maintenance Repair Fund		(15,253)	0.00	0.00
CR21	Debt Service Adjustment		(257,165)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge		(46,534)	0.00	0.00
CR39	COLA Adjustment		(71,922)	0.00	0.00
CR25	Financial Services Charge		(2,124)	0.00	0.00
CR22	Long Term Leases		(73,717)	0.00	0.00
CR01	Flexible Benefits Charge		(134,016)	0.00	0.00
CR05	Current Expense Overhead Adjustment		27,665	0.00	0.00
CR36	Property Services Lease Administration Fee		(3,491)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge		(18,863)	0.00	0.00
CR29	Wastewater Vehicles		(10,213)	0.00	0.00
CR08	Technology Services Infrastructure Charge		(5,643)	0.00	0.00
CR28	Equipment Repair and Replacement		84,974	0.00	0.00
			(528,056)	0.00	0.00
Council Changes					
CC02	Restore Farm Marketing Position		78,623	1.00	0.00
CC01	Restore Forest Planner Position		77,579	1.00	0.00
CC03	Current Use Taxation PBRS		42,094	0.00	0.50
			198,296	2.00	0.50
2005 Adopted Budget			39,827,171	329.26	12.75

* FTEs do not include temporaries and overtime.

** This includes revised 2004 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Water & Land Resources Division (WLRD) – Surface Water Management (SWM)

Business Plan Review

There are numerous change dynamics drivers of the 2005 WLRD Business Plan as well as other policy changes. The most significant challenges are as follows: 1) declining revenues, particularly in SWM fee revenues, 2) an increasing need for regional environmental services, including implementation of Salmon Recovery Plans, 3) a mandate to implement environmental regulations, such as the Critical Areas Ordinance (CAO), and 4) a mandate to continually measure and improve service delivery.

One of the change dynamics driving the business plan is the need for more regional environmental services, including implementation of Salmon Recovery Plans. One of the policies cited in the WLRD business plan is the desire to place increased emphasis on capital projects in addressing surface water problems. In spite of declining drainage revenues due to annexation, the 2005 budget shifts dollars from operating to capital, increasing the percentage of SWM/RDP revenues devoted to capital from the policy minimum of 30% to 33%.

Administrative Service Reductions

Finance & Administration Staffing Reductions - (\$178,170) expenditures and (2.67) FTEs. This represents reductions to the Finance and Administration Section to meet projected needs in 2005 within the financial constraints anticipated.

Strategic Initiatives Staffing Reductions - (\$144,772) expenditures and (0.30) FTE and (1.50) TLTs. This proposal would reduce staff in the Strategic Initiatives Section to meet projected needs in 2005 within the financial constraints anticipated. COLA adjustments are reflected under central rate adjustments.

Direct Service Reductions

Environmental Lab Staffing Reductions - (\$137,710) expenditures and (2.00) TLTs. This proposal would reduce positions and loan in/out labor as a result of the ramp down of WTD capital program work such as Northern Outfall, SWAMP and Green Duwamish, WTD Freshwater program.

LAWS Staffing Reductions - (\$312,882) expenditures and (2.75) FTEs and (1.00) TLTs. This proposal would reduce staff within the LAWS program to meet projected needs in 2005 within the financial constraints anticipated.

LAWS Lake Stewardship Reductions - (\$211,129) expenditures and (2.00) FTEs. This proposal will allow for the continuation of stewardship work on approximately 10 lakes located in the rural areas of the County, while discontinuing work on 43 lakes in cities and throughout the more developed areas. The reduction in services to lakes frees up resources for reinvestment priorities identified in the business plan.

LAWS Hazardous Waste Reductions - (\$459,770) expenditures and (1.90) FTEs. This represents a reduction to the Water and Land Resources hazardous waste programs as a result of the reductions to the LHWMP funding.

Rural Program Staffing Reductions - (\$156,424) expenditures and (2.00) FTEs. This proposal will eliminate the staff support to Puget Sound Fresh, Farmlink, and other efforts to increase the economic success of local farms, and will eliminate the staff expertise in farm product marketing and product innovation. The number of forest plans will be reduced, as will forest plan reviews for processing applications for current use taxation.

Science Staffing Reductions - (\$628,196) expenditures and (4.00) FTEs and (3.25) TLTs. This proposal will reduce the ecological support to ESA technical assessments in the Nearshore area of King

PHYSICAL ENVIRONMENT PROGRAM PLAN

County. This completes the ramp down of WTD's contribution to WLRD's WRIA assessments and analyses.

Stormwater Services Staffing Reduction - (\$2,172) expenditures. This represents a reduction of expenditure that has been dedicated to addressing drainage code violations by private parties.

Program Changes

LAWS CAO Implementation - \$45,247 expenditures and 0.98 FTEs and 0.49 TLT. This proposal will create a new mechanism for providing technical assistance to rural King County landowners regarding stewardship of their properties and an alternative mechanism for property owners to meet the impacts of the critical areas code. The CAO Rural Stewardship program will provide technical assistance to rural residential landowners in unincorporated areas who choose to develop Rural Stewardship Plans to manage their properties with lower impacts. Staff will provide technical assistance through introductory workshops, site visits, and education about aquatic resources, site conditions, best management practices, and permitting processes.

LAWS Community Outreach -- \$167,786 expenditures and 1.58 FTEs. This proposal would support the WTD by providing environmental education and motivation to the public for responsible stewardship at a new center to be built. The Community Center will use its prime site and plant facilities to attract community involvement, interpret the wastewater system, support environmental education and motivate individuals to responsible stewardship.

ORPP CAO Implementation - \$464,238 expenditures and 4.16 FTEs. This proposal will increase assistance to landowners to develop forest and farm plans in compliance with the CAO and to landowners applying for current use taxation. All but 0.5 of the positions are reprogrammed from other rural, farm or forest programs; therefore, landowner assistance related to incentives, marketing, and agriculture business development, and coordination of rural programs is reduced.

Science: Reinvest WTD Special Studies and Regional Data Management - \$255,334 expenditures and 2.60 FTEs. The project proposed is a two-year pilot and demonstration project designed to share the benefits and burdens of regional monitoring and data management, and establish regional protocols for water quality monitoring, data storage and data analysis with other jurisdictions. The work program calls for developing a business plan, RFP, and project management program for developing a Water Quality Repository and a development program that would consist of marketing the system to other agencies.

Strategic Initiatives – Groundwater Program - \$690,060 expenditures and 1.00 FTE. This proposal combines the numerous groundwater services that WLRD has provided in the past for improved tracking. In 2005, the program will become much more focused and target its services to specific areas where ILAs will secure local revenue streams to provide area specific data monitoring, modeling, analysis, and specific policy research and development as well as community involvement through the continued operation of four local groundwater protection committees and will depend much more on external revenue streams.

Strategic Initiatives – Regional WQ Funding - \$92,369 expenditures and 1.00 FTEs. This proposal supports the development of two new dedicated regional revenue streams for groundwater services and for the implementation of WRIA Plans and would enable WLRD to develop the policy, legal and financial elements of legislative proposals.

PAYG Capital Increase - \$807,252 expenditures. This represents a one-time increase in the transfer to the PAYG capital.

Technical Adjustments

PHYSICAL ENVIRONMENT PROGRAM PLAN

Admin Technical Changes – (\$165,909) expenditures. This represents technical adjustments made to the Finance and Administration Section’s budget to reflect anticipated funding needs in 2005.

CPOSA Technical Adjustments - (\$235,335) expenditures and 1.00 FTE. This proposal would allow a transfer of an FTE from the Strategic Initiatives Section to provide additional support for regional services through improved project management and better delivery function. The new PPM III’s activities will be split between managing selected regional capital projects and improving existing project management systems and procedures.

Environmental Laboratory Technical Adjustments - (\$211,588) expenditures. This proposal would allow for a number of technical adjustments including a transfer of the Information Services and Data Analysis unit.

LAWS Technical Adjustments - (\$32,011) expenditures and (1.98) FTEs and (0.49) TLT. This represents annual technical adjustments to align the program with 2005 projections.

ORRP Technical Adjustments - (\$266,507) expenditures and (3.66) FTEs. This represents annual technical adjustments to align the program and staff with 2005 projections.

Science Technical Adjustments - \$64,775 expenditures and 1.00 FTE and (1.00)TLTs. This represents adjustments to staff and programs. A total of 2.28 FTEs will be reprogrammed. This will enable the Science Section to provide technical assistance for the development of stewardship plans, technical support for stewardship classes, and monitoring to evaluate the efficacy.

Strategic Initiatives Technical Adjustments - (\$136,213) expenditures and (0.90) FTEs. The proposal would transfer 1.00 FTE to the Capital Project and Open Space Acquisition Section and increases a 0.90 FTE authority to a full 1.00 FTE to support the inter-jurisdictional work program for the development of a Salmon Recover Plan in WRIA 8.

Stormwater Technical Adjustments - (\$8,959) expenditures and (1.00) FTEs. This represents adjustments to projected needs in 2005. The county maintained flow control facilities will be mowed once a year rather than twice a year. Other program reductions include savings from position re-class, removal of expenditure for vehicle purchases or payments, and changes in the loan out labor to RDP.

Final CIP Adjustment - (\$100,000) expenditures. This represents final adjustments required to balance to the target fund balance.

Central Rate Adjustments

Central Rate Adjustments – (\$528,056). Central rate adjustments include: CX Overhead, ITS O&M and Infrastructure, Telecommunications Services and Overhead, GIS, Insurance, PAO, Long Term Lease and Lease Administration Fee, Finance, Wastewater Vehicles, Motor Pool, OIRM, Cell Phone/Pager Services, Radio charges, LTGO Debt Service and Insurance, Flex Benefits, Risk Abatement, Finance Payroll Projects, Retirement, Major Maintenance Repair, and COLA.

C O U N C I L A D O P T E D B U D G E T

Restore Forest Planner Position - \$77,579 and 1.00FTE. Council restored a Forest Planner FTE position to the Forestry program.

Restore Farm Marketing Position - \$78,623 and 1.00FTE. Council restored a Farm Marketing FTE position to Agricultural program.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Current Use Taxation PBRS - \$42,094 and 0.50TLP. Council added a half-time TLP position to the PBRS program to enhance staffing in support of the Critical Areas Ordinance (CAO).

[Link to Water and Land Resources Financial Plan, 14 KB .pdf](#)

PHYSICAL ENVIRONMENT PROGRAM PLAN

Water and Land Resources - Surface Water Management - 1210

	2003 Actual ¹	2004 Adopted	2004 Estimated ²	2005 Adopted	2006 Projected ³	2007 Projected ³
Beginning Fund Balance	1,784,578	1,107,805	2,293,579	1,442,038	512,769	733,340
Revenues						
SWM Fee ⁴	14,649,502	14,506,417	14,674,000	14,765,373	14,858,805	14,952,045
WTD Operating ⁵	13,738,155	13,611,242	13,968,135	12,680,109	12,803,012	13,187,103
WTD Capital ⁶	785,532	986,020	881,300	982,254	290,000	100,000
Local Hazardous Waste	3,539,150	3,942,182	3,942,182	3,549,752	3,549,752	3,549,752
Other Revenues ⁷	5,201,800	5,690,988	6,051,105	6,331,718	5,302,250	5,341,025
Council Change - CX Transfer to SWM				184,330		
Total Revenues	37,914,139	38,736,849	39,516,722	38,493,536	36,803,819	37,129,925
Expenditures						
Operating Expenditures ⁸	(33,952,337)	(35,413,123)	(36,763,716)	(34,913,688)	(35,961,099)	(33,073,443)
SWM CIP PAYG ⁹	(1,709,845)	(2,311,591)	(2,311,591)	(3,018,843)	(3,176,766)	(3,176,766)
SWM CIP Debt Service	(1,742,956)	(1,742,956)	(1,742,956)	(1,696,344)	(1,696,344)	(1,696,344)
Completion of WRIA Plans ILA					970,000	
Completion of WTD-funded WRIA Assessment					250,000	
WTD Capital Program Reductions					782,000	100,000
One-time Revenue Reductions					96,000	
Reductions to Balance to Minimum Target FB					1,752,960	321,291
Council Addition - Forest Planner Position				(77,579)		
Council Addition - Farm Marketing Position				(78,623)		
Council Addition - Current Use Taxation PBRS				(42,094)		
Total Expenditures	(37,405,138)	(39,467,670)	(40,818,263)	(39,827,171)	(36,983,249)	(37,525,262)
Estimated Underexpenditures ¹⁰		400,000	450,000	404,366	400,000	400,000
Other Fund Transactions						
Total Other Fund Transactions	0	0	0	0	0	0
Ending Fund Balance	2,293,579	776,984	1,442,038	512,769	733,340	738,002
Reserves & Designations						
* Reserve for Carryover	(862,118)					
* Reserve for IBIS PO Reinstatements	(856,285)					
Total Reserves & Designations	(1,718,403)	0	0	0	0	0
Ending Undesignated Fund Balance	575,176	776,984	1,442,038	512,769	733,340	738,002
Target Fund Balance ¹¹	732,475	725,321	733,700	738,269	742,940	747,602

Financial Plan Notes:

¹ 2003 Actuals are from the 2003 CAFR.

² 2004 Estimated is based on activity through the preliminary 3rd quarter report and division projections.

³ 2006 and 2007 Projected revenues are based on the projections from the division. Revenues are assumed to remain unchanged unless otherwise noted.

⁴ SWM fees not impacted by additional annexations. Revenues assumed to grow by increased number of parcels, about 1%.

⁵ WTD Operating transfers decline by \$250,000 in 2006 due to completion of ESA Assessment work, but are otherwise expected to increase by 3%.

⁶ Support to WTD capital decreased by a total of \$882,000 from the years 2005 through 2007.

⁷ WRIA Services ILA of \$970,000 ceases by the end of 2005 and a one-time revenue reduction of \$96,000 are expected in 2006. ILA revenues are assumed to increase by 3% while all other remaining revenues are expected to remain unchanged.

⁸ Operating expenditures are projected to meet minimum fund balance target with no assumed SWM rate increase.

⁹ CIP transfers as percentage of annual SWM Charge are projected to increase to 33% in 2006.

¹⁰ Estimated Underexpenditures are based on division projections. 2004 Adopted includes a 2% CX Underexpenditure assumption.

¹¹ Target Fund Balance is equal to 5% of annual estimated SWM service charge in adopted budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Rural Drainage 1211/0845

Code/Item #	Description	0845	Expenditures	FTEs*	TLPs
Program Area		2004 Adopted	4,477,848	0.00	0.00
		Status Quo **	1,684	0.00	0.00
PE					
		Status Quo Budget	4,479,532	0.00	0.00
		0 0			

Detail below shows crosswalk from 2004 adopted to 2005 adopted.

Program Change				
PC03	Reduction in Support to DDES	(258,188)	0.00	0.00
PC01	RDP Critical Areas Ordinance Implementation	486,151	0.00	0.00
PC02	PAYG Reduction	(141,409)	0.00	0.00
		86,554	0.00	0.00
Technical Adjustment				
TA01	RDP Technical Adjustments	(200,759)	0.00	0.00
		(200,759)	0.00	0.00
Central Rate Adjustments				
CR25	Financial Services Charge	1,476	0.00	0.00
CR28	Equipment Repair and Replacement	(22,748)	0.00	0.00
CR05	Current Expense Overhead Adjustment	161	0.00	0.00
CR47	Finance Payroll Projects	23	0.00	0.00
CR13	Motor Pool Usage Charge	(12,385)	0.00	0.00
		(33,473)	0.00	0.00
2005 Adopted Budget		4,331,854	0.00	0.00

* FTEs do not include temporaries and overtime.

** This includes revised 2004 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

WLRD - Rural Drainage Program Fund 1211

Program Changes

RDP Critical Areas Ordinance (CAO) Implementation - \$486,151 expenditures. This proposal will provide additional assistance to landowners in developing forest and farm plans to comply with the Executive Proposed Critical Areas Ordinance and will increase assistance to landowners applying for current use taxation. This proposal includes a \$150,000 transfer to the King Conservation District for development of farm plans.

PAYG Reduction - (\$141,409) expenditures. This proposal will allow for a reduction to the transfer to capital from the RDP Fund. The existing transfer will still exceed the 30% commitment of transfer of rural fees to capital.

Reduction in Support to DDES - (\$258,188) expenditures. This proposal reduces the contribution without changing the level of service for the Clearing and Grading work performed by DDES by 2.00 Code Enforcement Officers. Cost savings were achieved via a reduction in the overhead component charged by DDES.

Technical Adjustments

RDP Technical Adjustments – (\$200,759). This proposal will allow for routine annual adjustments as part of the zero-based budget process.

Central Rate Adjustments

Central Rate Adjustments – (\$33,473). Central rate adjustments include: CX Overhead, Finance, Motor Pool, Equipment Repair & Replacement, and Finance Payroll Projects.

C O U N C I L A D O P T E D B U D G E T

Council made no changes to the 2005 Executive Proposed Budget.

Link to Water and Land Resources – Rural Drainage Financial Plan, 11 KB .pdf

PHYSICAL ENVIRONMENT PROGRAM PLAN

Water and Land Resources - Rural Drainage Fund / 1211

	2003 Actual ¹	2004 Adopted	2004 Estimated ²	2005 Adopted	2006 Projected ³	2007 Projected ³
Beginning Fund Balance	1,053,892	370,817	337,003	143,363	188,780	207,928
Revenues						
* Rural Drainage Program Revenue ⁴	4,127,688	4,080,000	4,100,937	4,129,607	4,158,563	4,187,809
* Environmental Review Charge and Interest	62,295	63,271	63,271	72,664	65,000	65,000
* Other Revenue ⁸				75,000		
Total Revenues	4,189,983	4,143,271	4,164,208	4,277,271	4,223,563	4,252,809
Expenditures						
* Operating	(3,173,483)	(2,956,439)	(2,986,439)	(2,817,133)	(2,901,647)	(2,988,696)
* CIP PAYG ⁵	(1,733,389)	(1,521,409)	(1,521,409)	(1,514,721)	(1,387,768)	(1,347,651)
*						
Total Expenditures	(4,906,872)	(4,477,848)	(4,507,848)	(4,331,854)	(4,289,415)	(4,336,347)
Estimated Underexpenditures ⁶		150,000	150,000	100,000	85,000	85,000
Other Fund Transactions						
*						
*						
Total Other Fund Transactions	0	0	0	0	0	0
Ending Fund Balance	337,003	186,240	143,363	188,780	207,928	209,390
Reserves & Designations						
*						
*						
Total Reserves & Designations	0	0	0	0	0	0
Ending Undesignated Fund Balance	337,003	186,240	143,363	188,780	207,928	209,390
Target Fund Balance ⁷	206,384	204,000	205,047	206,480	207,928	209,390

Financial Plan Notes:

¹ 2003 Actuals are from the 2003 CAFR.

² 2004 Estimated is based on current year actuals.

³ An inflationary factor of 3% is assumed for the 2005 and 2006 operating expenditures. All other outyear projections are based on estimates from the division.

⁴ RDP revenue is assumed to grow based on new parcel growth of about 1% annually.

⁵ CIP PAYG transfer is adjusted to meet combined SWM/RDP 30% transfer to CIP policy target.

⁶ Estimated Underexpenditures is based on the division's estimates.

⁷ Target fund balance is based on 5% of Rural Drainage Revenue.

⁸ One time transfer from unused ANRI Bond proceeds.

PHYSICAL ENVIRONMENT PROGRAM PLAN

River Improvement 1050/0740

Code/Item #	Description	0740	Expenditures	FTEs*	TLPs
Program Area		2004 Adopted	4,454,083	11.50	0.33
		Status Quo **	64,443	0.00	0.00
PE					
		Status Quo Budget	4,518,526	11.50	0.33
		0 0			
<i>Detail below shows crosswalk from 2004 adopted to 2005 adopted.</i>					
Direct Service Reductions					
DS01	Lower Snoqualmie Floodplain Mapping		(623,859)	0.08	0.00
			(623,859)	0.08	0.00
Program Change					
PC01	Floodplain Permit Review/CAO Implementation		135,454	2.00	0.00
			135,454	2.00	0.00
Revenue Backed					
RB01	Green River Floodplain Mapping		337,136	0.02	0.00
			337,136	0.02	0.00
Technical Adjustment					
TA01	Technical Adjustments		(216,147)	(1.10)	0.00
			(216,147)	(1.10)	0.00
Central Rate Adjustments					
CR13	Motor Pool Usage Charge		(5,851)	0.00	0.00
CR08	Technology Services Infrastructure Charge		198	0.00	0.00
CR01	Flexible Benefits Charge		(5,376)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge		(41)	0.00	0.00
CR10	Office of Information Resource Management Charge		360	0.00	0.00
CR11	Telecommunications Services		(8,110)	0.00	0.00
CR12	Telecommunications Overhead		104	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge		54,639	0.00	0.00
CR28	Equipment Repair and Replacement		11,753	0.00	0.00
CR39	COLA Adjustment		249	0.00	0.00
CR46	Countywide Strategic Technology Projects		(336)	0.00	0.00
CR47	Finance Payroll Projects		(671)	0.00	0.00
CR21	Debt Service Adjustment		(1)	0.00	0.00
CR25	Financial Services Charge		1,658	0.00	0.00
CR05	Current Expense Overhead Adjustment		(112)	0.00	0.00
			48,463	0.00	0.00
2005 Adopted Budget			4,199,573	12.50	0.33

* FTEs do not include temporaries and overtime.

** This includes revised 2004 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

WLRD – River Improvement (RIF)

Direct Service Reductions

Lower Snoqualmie Floodplain Mapping - (\$623,859) expenditures and 0.08 FTE. The floodplain mapping study of the lower Snoqualmie River will be largely completed in 2004. Additional floodplain mapping work will be completed on Patterson Creek, a tributary to the Snoqualmie River. FEMA will provide additional revenue in 2005 to cover 50% of the costs. Most of the work completed in 2004 was done by consultants with the remainder to be completed by staff at the division.

Program Changes

Floodplain Permit Review/CAO Implementation - \$135,454 expenditures and 2.00 FTEs. This represents new resources to be devoted to support recently adopted CAO policies and procedures. These new policies and procedures require additional engineering staff to support, review, and approve floodplain analyses and technical studies that will be prepared by licensed engineers.

Revenue-backed Add

Green River Floodplain Mapping - \$337,136 expenditures and 0.02 FTE. This represents the first year of a two-year project to develop a new floodplain mapping study of 40 miles of the lower and middle Green River. Fifty percent of the total project costs estimated at \$700,000 is expected to be funded by Federal Emergency Management Agency (FEMA) funds as follows: \$150,000 in 2005 and \$200,000 in 2006. This represents the second award from FEMA funded the Map Modernization Program.

Technical Adjustments

Technical Adjustments - (\$216,147) expenditures and (1.10) FTE s. This proposal will allow for routine annual adjustments as part of the zero-based budget process. The reduction of 1.00 FTE reflects a conversion of an existing Administrative Specialist III FTE to an Engineer III position. The Engineer III FTE position is reflected as an addition under change code PC01.

Central Rate Adjustments

Central Rates Adjustments – \$48,463. Central rate adjustments include: CX Overhead, ITS Infrastructure and O&M, Telecommunications Services and O&M, Finance, OIRM, Motor Pool, Radio Charges, Flex Benefits, Equipment Repair and Replacement, Retirement, Debt Service, Countywide Strategic Technology Projects, Finance Payroll Projects, and COLA.

C O U N C I L A D O P T E D B U D G E T

Council made no changes to the 2005 Executive Proposed Budget.

[Link to River Improvement Financial Plan, 11 KB .pdf](#)

PHYSICAL ENVIRONMENT PROGRAM PLAN

River Improvement Fund 1050/0740

	2003 Actual ¹	2004 Adopted	2004 Estimated ²	2005 Adopted	2006 Projected ³	2007 Projected ³
Beginning Fund Balance	628,251	662,499	792,786	509,924	312,062	347,241
Revenues						
* River Improvement Levy	2,430,617	2,383,322	2,498,521	2,560,984	2,625,009	2,690,634
* GRFCZD Support	1,141,573	1,535,544	1,759,270	836,663	825,170	833,422
* Other Revenue ⁴				454,064	215,000	65,000
* 2nd Quarter Omnibus - FEMA revenue			134,791			
Total Revenues	3,572,190	3,918,866	4,392,582	3,851,711	3,665,179	3,589,056
Expenditures						
* Operating Expenditures	(3,407,655)	(4,454,083)	(4,447,541)	(4,199,573)	(3,630,000)	(3,600,000)
* Encumbrance Carryover			(76,400)			
* 2nd Quarter Omnibus			(136,503)			
* Snoqualmie Corps 205 Supplemental			(215,000)			
Total Expenditures	(3,407,655)	(4,454,083)	(4,875,444)	(4,199,573)	(3,630,000)	(3,600,000)
Estimated Underexpenditures ⁵		150,000	200,000	150,000	0	0
Other Fund Transactions						
*						
*						
Total Other Fund Transactions	0	0	0	0	0	0
Ending Fund Balance	792,786	277,282	509,924	312,062	347,241	336,296
Reserves & Designations						
* Reserve for Encumbrance Carryover	(76,400)					
*						
Total Reserves & Designations	(76,400)	0	0	0	0	0
Ending Undesignated Fund Balance	716,386	277,282	509,924	312,062	347,241	336,296
Target Fund Balance ⁶	250,053	274,321	307,481	269,620	256,563	251,234

Financial Plan Notes:

¹ 2003 Actuals are from the Preliminary 2003 CAFR.

² 2004 Estimated is based on 2004 Adopted plus actual RIF levy, supplementals, and carryovers.

³ 2006 and 2007 Projections continue revenue trends of 2.5% RIF levy increase and 1% GRFCZD increase.

⁴ Other Revenues are comprised of FCAAP and other grants, FEMA, and other miscellaneous revenue. 2006 and 2007 revenues are based on estimates from the division.

⁵ Underexpenditure is assumed only for the the years 2004 and 2005 Proposed and is based on estimates from the division.

⁶ Target fund balance is based on 7% of total adopted revenues.

PHYSICAL ENVIRONMENT PROGRAM PLAN**Inter-County River Improvement 1820/0760**

Code/Item #	Description	0760	Expenditures	FTEs*	TLPs
Program Area		2004 Adopted	48,849	0.00	0.00
		Status Quo **	3,333	0.00	0.00
PE					
		Status Quo Budget	52,182	0.00	0.00
		0 0			

Detail below shows crosswalk from 2004 adopted to 2005 adopted.

Program Change					
PC01	Puyallup/White River General Investigation		70,000	0.00	0.00
			70,000	0.00	0.00
Technical Adjustment					
TA01	Technical Adjustments		6,589	0.00	0.00
			6,589	0.00	0.00
Central Rate Adjustments					
CR25	Financial Services Charge		(3,379)	0.00	0.00
CR28	Equipment Repair and Replacement		(467)	0.00	0.00
			(3,846)	0.00	0.00
		2005 Adopted Budget	124,925	0.00	0.00

* FTEs do not include temporaries and overtime.

** This includes revised 2004 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

WLRD – Intercounty River Improvement (ICRI)

Program Changes

Puyallup/White River General Investigation - \$70,000 expenditures. This proposal will allow for a transfer to Flood Hazard Reduction Section's CIP (Fund 3180) to fund King County's initial local share contribution towards a U.S. Army Corps of Engineers flood damage reduction and ecosystem restoration efforts in WRIA-10. This multi-jurisdictional project will reduce flood hazards while increasing environmental and public benefits.

Technical Adjustments

Technical Adjustments - \$6,589 expenditures. This proposal will allow for routine annual adjustments as part of the zero-based budget process.

Central Rate Adjustments

Central Rate Adjustments - (\$3,846). Central rate adjustments include: Finance and Road Equipment Repair & Replacement.

C O U N C I L A D O P T E D B U D G E T

Council made no changes to the 2005 Executive Proposed Budget.

**Link to Inter-County River Improvement Financial Plan,
11 KB .pdf**

Inter-County River Improvement 1820/0760

	2003 Actual ¹	2004 Adopted	2004 Estimated ²	2005 Adopted	2006 Projected ³	2007 Projected ³
Beginning Fund Balance	44,705	44,109	80,692	101,843	27,418	28,592
Revenues						
* Inter-County River Improvements Levy	49,402	50,000	50,000	50,500	51,005	51,515
* Other Revenue	1,627					
*						
Total Revenues	51,029	50,000	50,000	50,500	51,005	51,515
Expenditures						
* Operating Expenditures	(15,042)	(48,849)	(28,849)	(124,925)	(49,831)	(50,329)
*						
*						
Total Expenditures	(15,042)	(48,849)	(28,849)	(124,925)	(49,831)	(50,329)
Estimated Underexpenditures		0	0	0	0	0
Other Fund Transactions						
*						
*						
Total Other Fund Transactions	0	0	0	0	0	0
Ending Fund Balance	80,692	45,260	101,843	27,418	28,592	29,778
Reserves & Designations						
*						
*						
*						
Total Reserves & Designations	0	0	0	0	0	0
Ending Undesignated Fund Balance	80,692	45,260	101,843	27,418	28,592	29,778
Target Fund Balance ⁴						

Financial Plan Notes:

¹ 2003 Actuals are from the 2003 CAFR.

² 2004 Estimated is based on estimated expenditures as of June 2005.

³ 2006 and 2007 Projected are based on 1% increases in expenditures using 2004 adopted as base.

⁴ No minimum target fund balance policy has been established for this fund.

PHYSICAL ENVIRONMENT PROGRAM PLAN**Noxious Weed Control Program 1311/0384**

Code/Item #	Description	0384	Expenditures	FTEs*	TLPs
Program Area		2004 Adopted	1,097,324	6.00	5.36
		Status Quo **	69,010	0.00	0.00
PE					
		Status Quo Budget	1,166,334	6.00	5.36
		0 0			

Detail below shows crosswalk from 2004 adopted to 2005 adopted.

Technical Adjustment				
TA01	Technical Adjustments	7,999	0.00	0.00
		7,999	0.00	0.00
Central Rate Adjustments				
CR08	Technology Services Infrastructure Charge	(76)	0.00	0.00
CR38	Major Maintenance Repair Fund	(469)	0.00	0.00
CR36	Property Services Lease Administration Fee	(293)	0.00	0.00
CR28	Equipment Repair and Replacement	15,698	0.00	0.00
CR25	Financial Services Charge	(2,028)	0.00	0.00
CR22	Long Term Leases	437	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	174	0.00	0.00
CR11	Telecommunications Services	131	0.00	0.00
CR01	Flexible Benefits Charge	(4,352)	0.00	0.00
CR05	Current Expense Overhead Adjustment	4,828	0.00	0.00
CR46	Countywide Strategic Technology Projects	(332)	0.00	0.00
CR47	Finance Payroll Projects	151	0.00	0.00
CR39	COLA Adjustment	(1,038)	0.00	0.00
CR13	Motor Pool Usage Charge	(14,889)	0.00	0.00
CR10	Office of Information Resource Management Charge	327	0.00	0.00
		(1,731)	0.00	0.00
2005 Adopted Budget		1,172,602	6.00	5.36

* FTEs do not include temporaries and overtime.

** This includes revised 2004 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

WLRD – Noxious Weed Control Program

Technical Adjustments

Technical Adjustments - \$7,999. This proposal will allow for routine annual adjustments as part of the zero-based budget process.

Central Rate Adjustments

Central Rate Adjustments – (\$1,731). Central rate adjustments include: CX Overhead, Finance, Road Equipment Repair and Replacement, Retirement, Countywide Strategic Technology Projects, Finance Payroll Projects, Motor Pool, ITS Infrastructure and Telecommunications, COLA, and Flex Benefits.

C O U N C I L A D O P T E D B U D G E T

Council made no changes to the 2005 Executive Proposed Budget.

Link to Noxious Weeds Financial Plan, 11 KB .pdf

Noxious Weeds 1311/0384

	2003 Actual ¹	2004 Adopted	2004 Estimated ²	2005 Adopted	2006 Projected ³	2007 Projected ³
Beginning Fund Balance	370,056	302,071	298,115	252,166	133,709	103,507
Revenues						
* Noxious Weed Fee	922,537	948,000	948,000	959,725	969,322	979,015
* Interest Income ⁴	11,442	10,409	10,409	10,420	18,999	21,033
* 1st Qtr Omnibus, Dept of Ecology Grant			15,000			
* Repayment of Enforcements				20,000	20,000	20,000
Total Revenues	933,978	958,409	973,409	990,145	1,008,321	1,020,049
Expenditures						
* Operating Expenditures	(1,005,919)	(1,097,324)	(1,070,259)	(1,172,602)	(1,184,328)	(1,196,171)
* 1st and 2nd Quarter Omnibus			(13,099)			
* Reductions to Balance to Minimum Target FB					81,805	112,777
Total Expenditures	(1,005,919)	(1,097,324)	(1,083,358)	(1,172,602)	(1,102,523)	(1,083,394)
Estimated Underexpenditures⁵		32,920	64,000	64,000	64,000	64,000
Other Fund Transactions						
*						
*						
Total Other Fund Transactions	0	0	0	0	0	0
Ending Fund Balance	298,115	196,076	252,166	133,709	103,507	104,161
Reserves & Designations						
*						
*						
*						
Total Reserves & Designations	0	0	0	0	0	0
Ending Undesignated Fund Balance	298,115	196,076	252,166	133,709	103,507	104,161
Target Fund Balance⁶	92,254	94,800	94,800	95,973	96,932	97,902

Financial Plan Notes:

¹ 2003 Actuals are from the 2003 CAFR.

² 2004 Estimated is based on year to date activity and division estimates.

³ 2006 and 2007 Projected are based on inflation of 1% for revenue and expenditures.

⁴ Investment Income is based on projections of 3.025%, 4.55%, and 4.80% for the years 2005, 2006, and 2007 respectively.

⁵ Estimated underexpenditures are based on division estimates.

⁶ Target fund balance is based on 10% of Noxious Fee Revenue.

Transportation

[Link to Department of Transportation Organizational Chart, 9 KB .pdf](#)

TRANSPORTATION

Mission Transportation

To improve the quality of life for the citizens of King County by providing mobility in a way that protects the environment, helps to manage growth and reduces traffic congestion.

ISSUES AND PRIORITIES

The King County Department of Transportation's (DOT) 2005 Executive Proposed Budget is the result of a continuing determination to address the transportation needs of King County efficiently and economically within significant funding constraints facing the Department. The proposed budget and accompanying financial plans along with the business plan consider both the short term and long term expectations for the provision of services. As

each division faces unique change dynamics in their financial plans the King County Department of Transportation will strive to provide dependable, predictable and sustainable services for their customers.

The Director's Office will continue to provide leadership, advocacy and support for the Department, its customers and the community.

Business Plan Change Dynamics: As each division in the Department of Transportation contends with external pressures impacting current and planned service delivery the Director's Office will continue to provide leadership both within the county and in regional policymaking forums. In the 2005 budget the Director's Office proposes to restructure its labor force by reclassifying positions to enhance Department-wide internal processes such as financial management, business plan development, performance measure tracking and miscellaneous project completion.

The Transit Division seeks to improve regional mobility and the quality of life in King County by providing the best possible public transportation service.

Business Plan Change Dynamics: The combined effect of the weak local economy and high fuel prices is the primary factor influencing the Public Transportation financial plan and the 2005 proposed budget. Though the local economy is starting to show signs of growth the economic recovery is slower than anticipated. The continued weakness in sales tax collections compounded by growth in costs for diesel fuel, contributions to the state retirement system and increasing worker's compensation costs limits the ability to add bus service hours as anticipated in the Six Year Plan adopted in 2002. To partially offset these fiscal effects to the Public Transportation financial plan the fare increases originally planned for implementation in 2007 have been accelerated to 2005. Sustaining existing service levels requires the continued transfer of funds from the capital fund to the operating fund. This transfer amount is determined after ensuring that there is adequate capital funding for capital asset preservation funding, existing capital projects and any new capital initiatives. The Business Plan change dynamics impacting the capital program involve a revenue backed initiative to assist in the provision of Sound Transit Light Link Rail service and preliminary plans to interface Transit's service with the monorail system contingent upon revenue backing from the Monorail system.

Road Services Division strives to increase mobility through arterial networks, bridge rehabilitation, and corridor system improvements while ensuring the preservation of the existing transportation system.

Business Plan Change Dynamics: The loss of Vehicle License Fee and associated revenue is the most significant change dynamic affecting the provision of Road Services. The Division continues to develop and promote revenue policies in cooperation with state and local officials seeking to restore the ability to address transportation system capacity needs. The Division will also play a key role in the planning and implementation of the County's annexation and incorporation initiative. While the Di-

PHYSICAL ENVIRONMENT PROGRAM PLAN

vision contends with significant challenges to its business operation it will, as is evident in the 2005 budget, continue to budget for the cost effective level of roadway asset preservation.

King County International Airport (KCIA) supports the economic vitality of the County, the National Air Transportation System, and provides safe and continuous general aviation airport services.

Business Plan Change Dynamics: Continued revenue weakness is the primary external change dynamic requiring near term and long term budgetary adjustments. In the 2005 budget a combination of budget reductions and fee increases are proposed to sustain the level of service required at the KCIA. Lease income maximization will be a high priority in the cooperative arrangement with the Facilities Management Division.

Fleet Administration will continue to provide quality and responsive vehicle services, parts, road materials and supplies at competitive cost to customers.

Business Plan Change Dynamics: As its customers contend with change dynamics in the form of financial resource limitations, Fleet Administration continues to assist in the management of fleet costs. For example, Road Services and Fleet Administration combined to evaluate vehicle utilization rates. This cooperative effort resulted in 46 vehicle fleet reduction, an operating cost decrease and a fund balance rebate to Road Services. This cost savings initiative improved the ability of Road Services to address one-time road maintenance needs. Fleet Administration has also been responsive to Current Expense fund weakness by again holding average rates below the rate of inflation. Fleet Administration is currently working with the Facilities Management Division to identify a new location for the motor pool garage.

PHYSICAL ENVIRONMENT PROGRAM PLAN

DOT Director's Office 4640/5010M

Code/Item #	Description	5010M	Expenditures	FTEs*	TLPs
Program Area		2004 Adopted	4,393,675	33.00	3.00
		Status Quo **	247,988	0.00	0.00
PE					
		Status Quo Budget	4,641,663	33.00	3.00
		0 0			

Detail below shows crosswalk from 2004 adopted to 2005 adopted.

Program Change					
PC01	Transportation Grant		335,000	0.00	0.00
			335,000	0.00	0.00
Technical Adjustment					
TA01	UAC and Other Adjustments		(93,170)	0.00	0.00
TA11	Director's Office Revenue Update		0	0.00	0.00
			(93,170)	0.00	0.00
Central Rate Adjustments					
CR01	Flexible Benefits Charge		(13,824)	0.00	0.00
CR05	Current Expense Overhead Adjustment		1,419	0.00	0.00
CR08	Technology Services Infrastructure Charge		3,156	0.00	0.00
CR36	Property Services Lease Administration Fee		4,768	0.00	0.00
CR46	Countywide Strategic Technology Projects		(496)	0.00	0.00
CR39	COLA Adjustment		(6,019)	0.00	0.00
CR38	Major Maintenance Repair Fund		(3,293)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge		33,065	0.00	0.00
CR22	Long Term Leases		(59,740)	0.00	0.00
CR10	Office of Information Resource Management Charge		1,004	0.00	0.00
			(39,960)	0.00	0.00
2005 Adopted Budget			4,843,533	33.00	3.00

* FTEs do not include temporaries and overtime.

** This includes revised 2004 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

P R O G R A M H I G H L I G H T S

Director's Office

The DOT Director's Office 2005 Proposed \$4.8 million budget is increased by four percent due to grant awards rather than operating cost increases. The Director's Office is also proposing to reclassify three existing positions to improve the capacity to respond to workload demands without increasing the operating costs.

Program Changes

RPIN Grant and Grant Transfer - \$335,000: The Director's Office has been awarded a \$255,000 Regional Public Information Network grant to identify technology improvements in the communication between government Public Information Officers and Joint Information Centers in the region. In addition an \$80,000 Toll Pricing grant is proposed for transfer from Transit.

Technical Adjustments

Technical Adjustments – \$(93,170): Among the miscellaneous adjustments summing to a \$93,170 decrease the primary issue is a change to the Unincorporated Area Council cost allocation which has moved the \$135,8789 payment responsibility directly to Road Services and Transit rather than relayed through the Director's Office budget. In addition the technical adjustment includes a reclassification of three existing FTE's to modify the skill set to better address Director's Office workload. The most significant reclassification converts a Government Relations Officer position to a Chief Finance Officer FTE.

Central Rate Adjustments – (\$39,960): The net budgetary effect of changes to ten central rates is a net decrease of \$39,960. An adjustment to the long term lease cost allocation is the primary cause for the change.

C O U N C I L A D O P T E D B U D G E T

Council made no changes to the 2005 Executive Proposed Budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Transit 4640/5000M

Code/Item #	Description	5000M	Expenditures	FTEs*	TLPs
Program Area		2004 Adopted	405,237,968	3,672.69	35.45
		Status Quo **	20,430,356	10.25	0.00
PE					
		Status Quo Budget	425,668,324	3,682.94	35.45
		0	0		

Detail below shows crosswalk from 2004 adopted to 2005 adopted.

Revenue Backed					
RB10	Operating Grants Adjustments		323,032	0.00	(0.45)
RB17	TBD		(181,997)	0.00	0.00
RB06	Fuel Price Changes		2,075,370	0.00	0.00
RB07	Restore Route Promotion		300,000	0.00	0.00
RB08	CCTV Security Monitors		226,304	0.00	0.00
RB09	Operator Awareness Safety Training		211,565	0.00	0.00
RB12	Power & Facilities In-House Work		0	1.00	0.00
RB05	Tunnel Closure		408,034	(5.03)	0.00
RB01	Bus Service		1,334,595	18.10	0.00
RB02	Paratransit Service		3,649,855	0.15	0.00
RB14	Service Quality		250,000	2.00	0.00
RB23	Developmentally Disabled Crew Transfer		45,000	0.00	0.00
RB16	Paratransit Support Service		216,299	0.00	0.00
RB11	New Facilities Maintenance		354,732	2.12	0.00
RB20	Correction to match Proposed		540	0.00	0.00
RB03	Vanpool Service		463,732	0.00	0.00
RB04	Link Operation		540,754	3.75	0.00
RB21	Hyde Estate and WSDOT Grant Funding		217,774	3.95	0.00
RB15	Capital Program Staffing		0	1.25	34.26
			10,435,589	27.29	33.81
Technical Adjustment					
TA11	Transit Revenue Update		0	0.00	0.00
TA06	B&O Tax for Proposed Fare Increase		63,215	0.00	0.00
TA05	Kent ULID Payment		168,350	0.00	0.00
TA04	PERS 1 Contribution at Retirement		230,000	0.00	0.00
TA03	PSQ Corrections		(45,805)	0.00	0.00
TA01	Technical Adjustments		(130,716)	(0.80)	0.00
			285,044	(0.80)	0.00
Central Rate Adjustments					
CR47	Finance Payroll Projects		167,190	0.00	0.00
CR39	COLA Adjustment		(94,930)	0.00	0.00
CR15	Insurance Charges		(2,616,310)	0.00	0.00
CR13	Motor Pool Usage Charge		27,721	0.00	0.00
CR46	Countywide Strategic Technology Projects		(98,626)	0.00	0.00

PHYSICAL ENVIRONMENT PROGRAM PLAN**Transit 4640/5000M**

Code/Item #	Description	5000M	Expenditures	FTEs*	TLPs
CR12	Telecommunications Overhead		31,140	0.00	0.00
CR11	Telecommunications Services		171,729	0.00	0.00
CR14	Facilities Management Space Charge		23,573	0.00	0.00
CR08	Technology Services Infrastructure Charge		(23,299)	0.00	0.00
CR36	Property Services Lease Administration Fee		(12,706)	0.00	0.00
CR38	Major Maintenance Repair Fund		(25,871)	0.00	0.00
CR09	Geographic Information Systems Charge		14,302	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge		118,922	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge		(62,827)	0.00	0.00
CR05	Current Expense Overhead Adjustment		598,245	0.00	0.00
CR01	Flexible Benefits Charge		(1,641,198)	0.00	0.00
CR10	Office of Information Resource Management Charge		109,927	0.00	0.00
CR22	Long Term Leases		(120,632)	0.00	0.00
CR25	Financial Services Charge		(1,149,146)	0.00	0.00
CR27	Industrial Insurance Rate Adj.		601,250	0.00	0.00
			(3,981,546)	0.00	0.00
Council Changes					
CC01	Disappropriation for Service Quality Section		(150,000)	(2.00)	0.00
CC02	Disappropriation for Route Promotion Initiative		(300,000)	0.00	0.00
			(450,000)	(2.00)	0.00
2005 Adopted Budget			431,957,411	3,707.43	69.26

* FTEs do not include temporaries and overtime.

** This includes revised 2004 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

Proviso(s):

ER1 EXPENDITURE RESTRICTION: Of this appropriation, \$500,000 shall be expended solely for the operation and promotion of the 2005 Elliott Bay water taxi and related transit projects along the Harbor Avenue/Alki corridor as it has been shown that coordination of a multimodal, public transportation system reduces single occupancy vehicle (SOV) commuting and improves seasonal access to popular in-city recreation areas. Funding for the Elliott Bay water taxi shall come from one-time savings in the transit division's operating budget. The Elliott Bay water taxi shall operate between April 15 and September 30, 2005, at the same daily span and frequency as the 2003

P1 PROVIDED THAT: Of this appropriation, \$500,000 shall not be expended or encumbered until the executive has submitted and the council has approved by motion a report and proposal for an accessible taxis demonstration program. The report and proposed motion must be filed in the form of 15 copies with the clerk of the council, who will retain the original and will forward copies to each councilmember and to the lead staff of the transportation committee or its successor.

P2 PROVIDED FURTHER THAT: The transit program shall provide twenty-six high-quality retired passenger vans for exclusive use by nonprofit organizations or local governments that are able to address the mobility needs of low-income, elderly, disabled or young county residents. The council shall allocate vans by motion. Each agency selected to receive a van must enter into an agreement with King County that provides, among other things, that the agency shall defend and indemnify the county against any liability, be sufficiently insured to support the indemnity and defense obligation and be able to maintain and operate the van for its remaining useful life. The council finds that such provision of vans supports the county's public transportation function by: (1) reducing single occupancy trips, pollution and traffic congestion; (2) supplementing the services provided by the county's paratransit system; (3) and increasing mobility for the transit dependent for whom regular transit may not always be a convenient option.

PHYSICAL ENVIRONMENT PROGRAM PLAN**Transit Revenue Vehicle Replacement 4647/5002M**

Code/Item #	Description	5002M	Expenditures	FTEs*	TLPs
Program Area PE		2004 Adopted	13,270,763	0.00	0.00
		Status Quo **	0	0.00	0.00
		Status Quo Budget	13,270,763	0.00	0.00
		0 0			

Detail below shows crosswalk from 2004 adopted to 2005 adopted.

Technical Adjustment				
TA01	Budget Adjusted for Schedule Purchases	(3,949,388)	0.00	0.00
TA11	Revenue Fleet Replacement Fund Revenue Update	0	0.00	0.00
		(3,949,388)	0.00	0.00
	2005 Adopted Budget	9,321,375	0.00	0.00

* FTEs do not include temporaries and overtime.

** This includes revised 2004 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Transit Division

The Transit Division's 2005 Operating Budget Proposal totals \$432,407,411 with 3,709.43 FTE and 69.26 TLT. This budget represents an increase of \$6,739,087 from the 2005 Status Quo Budget (PSQ). The 2005 budget requests are modest and do not include items that might be considered 'discretionary'. Increases in bus service have been scaled back from previous projections, but still include increases to support new park & rides, Sound Transit service growth and hours associated with the closure of the Downtown Seattle Transit Tunnel in September 2005. The combined effect of sales tax weakness and high fuel costs supports the proposal to move the fare increases from 2007 to 2005.

Revenue-Backed Adjustments

Bus Service -- \$1,334,595, 18.10 FTEs. This budget proposal supports service level change for Sound Transit of 33,860 hours, an addition of 14,550 annual hours associated with the opening of the new Issaquah Highlands Park & Ride in September and 50,000 hours associated with moving service out of the tunnel and onto downtown Seattle surface streets. The hours associated with the closure of the tunnel are expected to be largely removed once the tunnel reopens in 2007. The cost of DART service is increasing due to a small increase in hours and higher hourly rates.

Paratransit Service -- \$3,649,855, 0.15 FTE. Total 2005 ACCESS ridership is estimated at 1.1 million and will require 641,000 hours of service. At an average cost of \$56.58 per hour, service will cost a total of \$36.2 million. This is \$2.5 million higher than the 2005 projection in the 2004 adopted budget. Although productivity is increasing from 1.68 rides per hour to 1.74 rides per hour, projected increases in ridership and cost/hour outweigh this improvement.

Vanpool Service -- \$463,732. The direct cost of operating the vanpool fleet is projected annually in the budget process. The number of vanpools in operation, their mileage and projected per mile costs are the key components in projection. On average, 652 vanpools are projected to be in operation in 2005, traveling 9.1 million miles during the year. While the number of vanpools in operation is below what was estimated for 2004 in the adopted budget, higher maintenance expense, due to fleet aging, and fuel expense are projected to result in a net increase to the cost of the program. Vanpool fares, by policy, recover 100% of all direct vanpool operating costs.

Link Operation -- \$540,754, 3.75 FTE. King County and Sound Transit negotiated an agreement in 2003 for King County to operate the Central Link light rail line. While passenger service on the light rail system is not anticipated to occur until 2008, significant planning and development activities are required to ensure that the system is operated effectively. To complete development of the operational plans for the light rail system in 2005, King County will hire key staff including the Link System Manager and Supervisors for the Operations, Vehicle Maintenance and Facilities Maintenance groups. Actual hiring dates are still being determined. A Senior Human Resource Analyst is added to the Transit Human Relations group in 2005 to support development of job descriptions, position classifications and compensation, labor relations and other required personnel activities. As part of the agreement, Sound Transit will reimburse King County for any costs incurred as part of Link Operations Startup.

Tunnel Closure -- \$408,034. (5.03) FTE. In September 2005, the Downtown Seattle Transit Tunnel is scheduled to close for light rail construction. The tunnel is scheduled to reopen for bus service in Summer or Fall 2007. All bus operations currently in the tunnel will move to surface streets. The Westlake Customer service office will also be relocated to the surface. This package will have an annualized savings of \$1.5 million when the tunnel is closed for a full year. The savings from the tunnel closure are partially offset by the addition of 6 new officers from the King County Sheriff's Office which are scheduled to be assigned to Transit Security in 2005. Staff currently associated with operations and maintenance of the tunnel will either be redeployed to new positions or laid off. The tunnel closure activities have been laid out in the Tunnel Agreement that was negotiated with Sound Transit

PHYSICAL ENVIRONMENT PROGRAM PLAN

and approved by the Executive and King County Council.

Fuel Price Changes -- \$2,075,370 At the time that the 2005 budget is being developed, fuel prices remain at levels significantly higher than previously planned. Diesel fuel prices were increased in the 2005 PSQ to \$1.15 per gallon. Based on current information this may be too low, so this package includes an increase to \$1.30 per gallon. In addition, gasoline and diesel used by transit's non-revenue vehicles and the DART program are also being increased. A biodiesel pilot program supported in part by grant funding has been included in this proposal.

Restore Route Promotion -- \$300,000 Bus ridership continues to experience low to stagnant growth. This package requests funds to restore the majority of the route promotion funds that were reduced in the 2004 budget. These funds will be used to develop targeted promotional campaigns in corridors where there is system capacity with the goal of increasing ridership.

CCTV Security Monitors -- \$226,304 This package includes the cost of providing monitoring of CCTV systems being installed at the Eastgate structured park & ride lot and employee parking garage. The number of monitoring systems will be expanded in the future to include the tunnel (when it re-opens), selected park & ride surface lots, operating bases and other transit facilities. Cameras must be monitored 24 hours a day, 7 days a week.

Operator Awareness Safety Training -- \$211,565. This package includes funds for one-third of the current transit operators to receive 8 hours of training. This training is in addition to the customer service and defensive driving training that new part and full time operators receive and any remedial training that is provided to operators that meet selected criteria. The 8 hours of training funded by this package will focus on creating an heightened awareness of safety issues among our customers and operators specifically aimed at reducing pedestrian accidents.

Operating Grants Adjustments -- \$323,302 Each year, operating grants are zero-based to reflect the grants received and the staffing necessary to meet operating grant requirements. This proposal adjusts the operating grant amounts for the division. The increase reflects completion of a number of grant-funded activities. In total, operating grant activity is projected at \$4.4 million in 2005.

New Facilities Maintenance -- \$354,732, 2.12 FTEs A number of new facilities have been or will be added to the facilities maintained by the Power & Facilities section. These new facilities include structured parking lots at Eastgate, Issaquah Highlands and Central/Atlantic base. FTEs associated with this package will come from the staff that is displaced when the tunnel closes.

Power and Facilities In-House Work -- 1.0 FTE. This package is intended to fund short-term opportunities for staff that are displaced when the tunnel closes. Currently Transit contracts with DAJD for a crew that maintains selected park & ride lots. In addition, Transit uses overtime and seasonal labor that can be replaced temporarily with regular FTEs.

Service Quality -- \$250,000, 2.00 FTEs. This package adds 2 FTE to the existing service quality supervisors stationed outside of the tunnel. These positions will enable Transit Operations to more cost effectively provide backfill for absent staff and support for special events that would otherwise be at overtime.

Capital Program Staffing -- 1.25 FTE, 34.26 TLTs. This proposal adds 34.26 term limited and 1.25 FTEs to support the existing capital program. 21.5 of the TLT positions will be associated with the conversion of Breda coaches to electric trolley only mode. This level of staffing will allow the conversion to occur in 2005. The electric trolley coaches are an aging and expensive fleet to maintain, and Transit is anxious for this conversion to occur as soon as possible. 13.76 of the positions are in Power and Facilities and are associated with identified project work. The remaining positions are in Service Development and include adding resources for the leased lot program and converting an existing TLT position in Speed & Reliability to an FTE, consistent with the last body of work review.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Paratransit Support Service -- \$216,299 This package contains increases to the bus travel training and functional assessment activities that support the paratransit program by encouraging travel on the fixed route bus system rather than ACCESS. Specifically, this package provides \$55,552 to cover increased costs for functional assessments and \$160,747 for bus travel training. In 2004, the bus travel training program was increased by \$150,000 reflecting funding from the state's special needs grant program.

Hyde Estate and WSDOT Grant Funding -- \$(181,997) This proposal reflects a change in the use of state special needs grant funds to support costs associated with increasing ridership rather than ancillary programs.

Sound Transit Vehicle Maintenance -- \$217,774, 3.95 FTEs. This proposed budget amount is based on a Sound Transit request for additional vehicle maintenance service. The cost of this service increment involving bus cleaning frequency will be reimbursed by Sound Transit.

Developmentally Disabled (DD) Crew Transfer -- \$45,000: As proposed in the King County International Airport budget, two-thirds of one of the DD crew time and cost will be transferred to other agencies. The Transit budget is adjusted to include a portion of this transfer cost.

Technical Adjustments

Miscellaneous Technical Adjustments -- \$(130,716) / (0.8) FTE A number of technical adjustments are proposed throughout the division, including: corrections to the operator model; revised staffing levels in Component Supply Center of Vehicle Maintenance; shifting the contribution for the unincorporated area councils from the KCDOT director to Transit reflecting changes made in 2004; an adjustment to the operating grant contra; and a small adjustment to the partnership expense to reflect anticipated program costs.

PSQ Corrections -- \$(45,805) This package updates and corrects a variety of items in the 2005 Status Quo budget. Adjustments include: removal of costs associated with operator training that were inadvertently built into the base costs in the operator model; add back of costs for use of KC 800 MHz radio system that were removed in error; add back of a portion of HRD labor relations staff costs; a net increase to utility rates to reflect cost growth; adjustments to trolley power; and adjustments to the amounts loaned out to the capital program due to revised benefit rates.

PERS1 Contribution at Time of Retirement -- \$230,000. Vehicle operator retirements anticipated in 2005 will require the one-time payment to the PERS fund to fully fund retirement payouts associated with accrued vacation payouts at the time of PERS 1 retirement. In past years this cost has been funded out of anticipated underexpenditure, however 2005 budget authority is requested due to the uncertainty involving underexpenditure rates.

Kent ULID Payment -- \$168,350. This budget proposal gives Transit the authority to make a one-time payment assessed by the City of Kent for road improvements within LID 353 for street improvements adjacent to the Kent/Des Moines Park and Ride lot.

Business and Occupation Tax -- \$63,215. The Transit revenue generated by the proposed bus and paratransit fare increase is subject to the Business and Occupation Tax. This charge is rebated and included in the Transit revenues for a net zero fiscal effect.

Central Rates -- (\$3,981,546): In addition to internal service rates charged by County service providers, the central rates include countywide budget adjustments involving flex benefits, retirement rates and cost of living adjustments. The internal service rates at the PSQ budget phase were anticipated to grow by \$6.5 million. However, a \$2.6 million reduction to the PSQ Insurance rates and \$1.6 million

PHYSICAL ENVIRONMENT PROGRAM PLAN

reduction to Flexible Benefit rates contributed to a net decrease of \$4 million from the PSQ level

Revenues:

Due to sluggish sales tax revenue growth and higher than anticipated costs including fuel costs, Transit is proposing to accelerate a planned fare increase from 2007 to 2005. The current forecast for sales tax revenue is about \$33 million lower by 2010 than projected last year. The proposed fare increase will raise regular fares by 25 cents, the senior/disabled peak pass to \$10.00, youth fares to 75 cents/\$27.00 pass, and the paratransit pass from \$13.50 to \$18.00.

Operating Transfer to CIP: The 2005 proposed budget includes a request to transfer \$70.6 million from the capital program to the operating program. This is a transfer increase of \$7 million from the amount approved in the 2004 Adopted Budget. Per financial policies, the sales tax received by the program is split between the operating (three quarters) and capital (one quarter) programs. Before passage of I-695, MVET (motor vehicle excise tax) revenues supported the operating program. The loss of MVET revenue has been partially offset by the 2001 increase of 0.2 percent in the sales tax rate for public transportation, expenditure reductions, and the 2001 fare increase. However, one quarter of the additional sales tax revenue was directed to the capital fund and the proposed transfer has been determined as necessary to support existing levels of bus service.

Transit Revenue Vehicle Replacement - \$(3,949,388): Consistent with the adopted financial policies, this proposal provides a total of \$9,321,375 for replacement of Transit's "revenue vehicles", including buses, access vans and trolleys in 2005. The amount of the transfer for this purpose varies annually and is based on the timing of fleet procurements.

C O U N C I L A D O P T E D B U D G E T

Reduced Service Quality Proposal – (\$150,000) and (2.00)FTE. Proposal to add two service quality supervisors and \$300,000 of corresponding labor and non-labor budget was reduced to \$50,000 to cover over-time costs.

Removed Proposed Route Promotion Initiative – (\$300,000). Proposal to restore the majority of the route promotion budget removed by the Executive in the 2004 budget was removed from the 2005 Executive Proposed budget. The proposed initiative was intended to develop targeted bus ridership promotional campaigns in bus service corridors where there is unused system capacity.

Postponed discussion of regular and paratransit fare increases until the 2006 budget at the earliest. The Executive proposed budget proposal to increase fares was not approved in the 2005 budget. Council staff reports indicated a likelihood that the issue would be revisited in future budget discussions.

**Link to Public Transportation Enterprise Fund Financial
Plan, 12 KB .pdf**

[Link to Public Transportation Operating Sub-Fund Financial Plan, 12 KB .pdf](#)

[Link to Public Transportation Revenue Fleet Replacement Sub-Fund Financial Plan, 12 KB .pd](#)

PHYSICAL ENVIRONMENT PROGRAM PLAN

Public Transportation Enterprise Fund / 4641

(\$ in 000)	2003 Actual	2004 Adopted	2004 Forecast	2005 Adopted	2006 Projected	2007 Projected
Beginning Fund Balance	301,176	256,276	247,783	136,421	140,926	138,237
Revenues						
Fares	67,862	71,157	71,467	72,791	83,897	85,406
Other Operations Revenue	10,402	11,302	10,031	10,607	11,494	11,784
Sales Tax	298,753	308,041	305,415	321,877	340,320	360,331
Motor Vehicle Excise Tax	0	0	0	0	0	0
State Interim Funding	0	0	0	0	0	0
FTA Section 9 (Operating)	0	0	0	0	0	0
Interest Income	9,157	5,610	5,729	3,940	5,812	5,353
Capital Grants	59,734	81,838	70,441	122,346	43,058	24,988
Payments from ST; Roads, Fleet, Airport	23,446	25,170	25,239	30,754	34,442	33,553
Sound Transit Payments-Capital	39	0	0	3,957	11,868	8,583
Miscellaneous	17,991	26,978	17,395	22,204	42,852	17,906
Total Revenues	487,384	530,097	505,715	588,475	573,744	547,904
Expenditures						
Transit Division	(383,992)	(405,238)	(410,670)	(431,957)	(464,707)	(481,555)
Transportation Admin Division	(4,364)	(4,394)	(4,316)	(4,844)	(4,583)	(4,712)
Capital	(113,438)	(164,555)	(256,548)	(135,078)	(120,532)	(99,761)
Cross Border Lease (Gillig Coaches)	(12,576)	(15,653)	(15,626)	(9,858)	0	0
Debt Service	(11,880)	(15,819)	(13,597)	(15,135)	(16,358)	(17,662)
Total Expenditures	(526,250)	(605,658)	(700,757)	(596,871)	(606,181)	(603,689)
Estimated Underexpenditures						
Operating Program	0	4,096	2,665	3,601	4,693	4,863
Capital Program	0	10,674	6,352	7,769	(1,242)	3,889
Total Estimated Underexpenditures	0	14,770	9,016	11,370	3,451	8,751
Other Fund Transactions						
Long Term Debt (Bonds)	0	50,000	50,526	0	24,500	15,000
CBL Sale of Gilligs	0	0	0	0	0	0
Misc Balance Adjustments	(14,528)	1,984	24,138	1,530	1,798	1,825
Total Other Fund Transactions	(14,528)	51,984	74,664	1,530	26,298	16,825
Ending Fund Balance	247,783	247,469	136,421	140,926	138,237	108,028
Reserves & Designations						
30 Day Operating Reserve 5	24,223	33,445	24,264	25,049	38,593	39,968
Fare Stabilization & Operating Enhancement Reser	-	-	-	-	-	-
Revenue Fleet Replacement Fund	100,914	102,945	1,750	29,746	46,214	62,733
Cross Border Lease (Gillig Coaches)	26,072	9,621	9,585	(0)	(0)	(0)
*						
Total Reserves & Designations	151,209	146,011	35,599	54,795	84,807	102,701
Ending Undesignated Fund Balance	96,574	101,458	100,822	86,131	53,430	5,327
Target Fund Balance 4	120,118	94,761	63,354	65,651	84,790	102,705

Financial Plan Notes:

- 1 2003 Actuals are from the 13th month.
- 2 2004 forecast is updated based on 2003 actuals.
- 3 2006-2010 projections are based on future assumptions concerning service levels and the supporting CIP.
- 4 Target Fund Balance is based on formulae established in the financial policies
- 5 Ending fund balances in the operating program are below target levels from 2003 through 2005.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Public Transportation Fund - Operating Sub-Fund

(\$ in 000)	2003 Actual	2004 Adopted	2004 Forecast	2005 Adopted	2006 Projected	2007 Projected
Beginning Fund Balance	26,418	28,870	24,223	24,264	25,049	38,593
Revenues						
Fares	67,862	71,157	71,467	72,791	83,897	85,406
Other Operations Revenue	10,402	11,302	10,031	10,607	11,494	11,784
Sales Tax	224,064	231,031	229,061	241,407	255,240	270,248
Payments from ST; Roads, Fleet, Airport	23,446	25,170	25,239	30,754	34,442	33,553
Miscellaneous/Interest	6,724	8,289	8,903	7,809	9,818	8,025
Total Revenues	332,499	346,949	344,701	363,367	394,892	409,016
Expenditures						
Transit	(383,992)	(405,238)	(410,670)	(431,957)	(464,707)	(481,555)
Transportation Administration	(4,364)	(4,394)	(4,316)	(4,844)	(4,583)	(4,712)
Total Expenditures	(388,355)	(409,632)	(414,986)	(436,801)	(469,291)	(486,267)
Estimated Underexpenditures	0	4,096	2,665	3,601	4,693	4,863
Other Fund Transactions						
Misc Balance Adjustment	(3,309)	0	0	0	0	0
Transfer from Capital Program	56,969	63,162	67,662	70,617	83,250	73,763
Total Other Fund Transactions	53,660	63,162	67,662	70,617	83,250	73,763
Ending Fund Balance	24,223	33,445	24,264	25,049	38,593	39,968
Reserves & Designations						
30 Day Operating Reserve ⁵	24,223	33,445	24,264	25,049	38,593	39,968
Fare Stabilization & Operating Enhancement *	-	-	-	-	-	-
Total Reserves & Designations	24,223	33,445	24,264	25,049	38,593	39,968
Ending Undesignated Fund Balance	0	0	0	0	0	0
Target Fund Balance ⁴	31,923	33,672	34,029	35,905	38,576	39,971

Financial Plan Notes:

¹ 2003 Actuals are from the 13th month.

² 2004 forecast is updated based on 2003 actuals.

³ 2006-2010 projections are based on future assumptions concerning service levels and the supporting CIP.

⁴ Target Fund Balance is based on formulae established in the financial policies

⁵ Ending fund balances in the operating program are below target levels from 2003 through 2005.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Public Transportation Fund - Revenue Fleet Replacement Sub-fund

(\$ in 000)	2003 Actual	2004 Adopted	2004 Forecast	2005 Adopted	2006 Projected	2007 Projected
Beginning Fund Balance	80,042	98,203	100,914	1,750	29,746	46,214
Revenues						
Cross Border Lease Fund Transfer	0	0	1,819	0	0	0
Other Income	2,431	0	0	0	0	0
Sales Tax Distribution	0	0	475	21,317	(2,048)	(4,004)
Interest	2,647	2,013	2,170	53	1,353	2,218
Grants: Section 5307 Preventive Maintenance	18,795	16,000	13,040	15,948	20,000	20,000
Total Revenues	23,873	18,013	17,504	37,318	19,305	18,214
Expenditures						
Fleet Replacement Transfer	(9,950)	(13,271)	(116,669)	(9,321)	(2,837)	(1,695)
Total Expenditures	(9,950)	(13,271)	(116,669)	(9,321)	(2,837)	(1,695)
Estimated Underexpenditures						
Other Fund Transactions						
Balance Sheet Adj.	6,949	0	0	0	0	0
Short Term Loan to CIP	0	0	0	0	0	0
Short Term Loan to CIP Repayment	0	0	0	0	0	0
Total Other Fund Transactions	6,949	0	0	0	0	0
Ending Fund Balance	100,914	102,945	1,750	29,746	46,214	62,733
Reserves & Designations						
* Per financial policy	100,914	102,945	1,750	29,746	46,214	62,733
*						
Total Reserves & Designations ⁵	100,914	102,945	1,750	29,746	46,214	62,733
Ending Undesignated Fund Balance	0	0	0	0	0	0
Target Fund Balance ⁴	62,123	51,468	19,740	29,746	46,214	62,733

Financial Plan Notes:

¹ 2003 Actuals are from the 13th month.

² 2004 forecast is updated based on 2003 actuals.

³ 2005-2010 projections are based on future assumptions concerning service levels and the supporting CIP.

⁴ Target Fund Balance is based on formulae established in the financial policies

PHYSICAL ENVIRONMENT PROGRAM PLAN

Roads 1030/0730

Code/Item #	Description	0730	Expenditures	FTEs*	TLPs
Program Area		2004 Adopted	63,955,707	596.70	27.52
		Status Quo **	2,110,096	0.00	0.00
PE					
		Status Quo Budget	66,065,803	596.70	27.52
		0 0			

Detail below shows crosswalk from 2004 adopted to 2005 adopted.

Program Change					
PC02	Retro-Rehab Program - Overlay Prep		340,000	0.00	0.00
PC08	Term Limited Temporary (TLT) Adjustments		(296,019)	0.00	0.43
PC07	Roads CIP Staffing Support		(363,239)	(1.00)	(6.00)
PC06	Roads Maintenance Reorganization - Maintenance District		(98,178)	(1.00)	0.00
PC03	Retro-Rehab LED Signal Light Replacements		137,520	0.00	0.00
PC01	Restoration of Maintenance Deferred from 2004 Emergency Storm		680,005	0.00	0.00
PC04	KCSO - Traffic Enforcement Transfer/West Galer		257,000	0.00	0.00
			657,089	(2.00)	(5.57)
Revenue Backed					
RB01	Roads Maintenance - City Services		(198,853)	(1.00)	0.00
RB06	Roads Maintenance Labor Support to Parks Bridge Program		96,857	0.00	1.50
RB05	Roads Maintenance Labor Support to CIP Bridge Program		0	0.00	(2.50)
RB04	Roads Maintenance Labor Support to WLRD		0	0.00	2.50
RB02	Traffic Engineering - City Services		(47,164)	0.00	0.00
			(149,160)	(1.00)	1.50
Technical Adjustment					
TA04	CIP Staffing Adjustment		(70,795)	(9.00)	0.00
TA03	Labor Distribution		(37,855)	0.00	0.00
TA06	Roads Maintenance Labor Support to Parks Bridge Program		69,392	0.00	0.00
TA11	Revenue Adjustment		0	0.00	0.00
TA02	DOT Administration Cost Allocation		30,076	0.00	0.00
			(9,182)	(9.00)	0.00
Central Rate Adjustments					
CR20	Prosecuting Attorney Civil Division Charge		54,454	0.00	0.00
CR12	Telecommunications Overhead		(1,745)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge		(14,949)	0.00	0.00
CR05	Current Expense Overhead Adjustment		187,057	0.00	0.00
CR08	Technology Services Infrastructure Charge		(19,550)	0.00	0.00
CR09	Geographic Information Systems Charge		13,243	0.00	0.00
CR01	Flexible Benefits Charge		(242,688)	0.00	0.00
CR11	Telecommunications Services		23,490	0.00	0.00
CR13	Motor Pool Usage Charge		1,137	0.00	0.00
CR15	Insurance Charges		120,117	0.00	0.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

Roads 1030/0730

Code/Item #	Description	0730	Expenditures	FTEs*	TLPs
CR46	Countywide Strategic Technology Projects		(15,994)	0.00	0.00
CR10	Office of Information Resource Management Charge		18,919	0.00	0.00
CR22	Long Term Leases		(52,219)	0.00	0.00
CR47	Finance Payroll Projects		(1,379)	0.00	0.00
CR39	COLA Adjustment		(69,392)	0.00	0.00
CR25	Financial Services Charge		31,973	0.00	0.00
CR28	Equipment Repair and Replacement		(149,515)	0.00	0.00
CR38	Major Maintenance Repair Fund		(28,786)	0.00	0.00
CR36	Property Services Lease Administration Fee		(4,350)	0.00	0.00
			(150,177)	0.00	0.00
Council Changes					
CC01	Transfer to Auditor for Transportation Concurrency Study		25,000	0.00	0.00
			25,000	0.00	0.00
2005 Adopted Budget			66,439,373	584.70	23.45

* FTEs do not include temporaries and overtime.

** This includes revised 2004 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

Proviso(s):

ER1 EXPENDITURE RESTRICTION: Of this appropriation, \$25,000 shall be expended solely for operating expenditures associated with CIP project 100303.

ER2 EXPENDITURE RESTRICTION: Of this appropriation, \$75,000 shall be expended solely on the Vashon/Bank Road safety project.

ER3 EXPENDITURE RESTRICTION: Of this appropriation, \$25,000 shall solely be expended to resurface Goat Hill road.

Road Services Division

The total 2005 Executive Proposed Budget for Road Services is \$66,414,373 with 584.7 FTEs and 23.45 TLTs. The Road Services Vector Decant budget is \$517,355. The Road Construction Transfer to the capital programs is \$32,446,323. Most of the 2005 revenue increase is due to the continuation of the 6% roads levy growth utilizing available banked taxing capacity. The resulting revenue increase is used to increase the operating budget transfer to the capital program.

In the 2005 budget proposal, Road Services proposes to complete critical drainage and shoulder restoration maintenance activities that were deferred in order to provide emergency response to the severe winter storms in 2004. The proposal is to provide funds to catch up on the drainage and shoulder restoration backlog over the next two years. In addition Roads is proposing to continue both the overlay program expansion to achieve overlayment of arterial roads on the optimal 12-year cycle needed for roadway preservation, and the LED Signal Replacement programs for purposes of increased traffic safety and reducing the amount of electricity needed to operate traffic and pedestrian signals.

These two initiatives are made possible in part by savings realized as a result of a comprehensive analysis of its 453-piece equipment inventory. This was the first such rigorous review in ten years and was driven by Roads' interest in increasing its efficient utilization of each piece of equipment, and a need to modernize the types and quantity of each equipment type in order to best meet changing business needs. Working in conjunction with Fleet, Roads is reducing their ER & R equipment inventory by 46 pieces of equipment – a 10% reduction.

Program Changes

Restoration of Maintenance Deferred from 2004 -- \$680,005. In late 2003 and early 2004 road maintenance was deferred while Road Services responded to storm related emergency response activity. This proposal would fund the effort to remove the backlog of road shoulder repair and drainage work.

Retro-Rehab Program – Overlay Prep -- \$340,000. Road Services operating budget coordination with the 2005 capital project to overlay road surfaces requires operating budget authority to prepare the roadway surface prior to the capital project work.

Retro-Rehab LED Signal Light Replacements -- \$137,520. The budget proposal continues the implementation of the LED traffic signal conversion begun in 2000. This will facilitate the second phase of the conversion program that changes incandescent signal lamps to LED lamps according to an annual maintenance schedule.

Sheriff's Office – Traffic Enforcement Transfer -- \$257,000. The repeal of the local option Vehicle License Fee had the effect of removing the revenue source eligible to pay the West Galer Street debt service. In the 2004 Road Service CIP supplemental ordinance, the debt obligation was shifted to the Current Expense fund. The impact to the Current Expense Fund was offset by increased Road Fund support for Sheriff Office costs in the unincorporated area.

Roads Maintenance Reorganization -- \$(98,178), 1.0 FTE. Two planning units in Road Services have been consolidated resulting in the proposed reduction of a Maintenance Supervisor position.

Roads CIP Staffing Support -- \$(434,034), (10.0) FTE/(6.0) TLTs. This proposal reflects the remaining capital program staffing level necessary to implement the six-year Roads Capital Improvement Program. The reductions are made because of completion of TLT assigned projects, reductions due to the loss of VLF revenue and its impact on the Roads CIP budget and reorganization and consolidation in the Engineering Services Section resulting in the elimination of one Managing Engineer FTE.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Term Limited Temporary (TLT) Adjustments -- \$(296,019), 0.43 TLT's. This proposal updates for 2005 the TLT staffing levels and corresponding budget. This reduction includes TLT reductions as terms expire and corrections to the flexible benefit budgeting for short term TLT's.

Revenue Backed Adjustments

Roads Maintenance – City Services -- \$(198,853), (1.0) FTE. Each year changes to the level of contracted services provided to cities requires a budgetary adjustment. This year the cities of Kenmore and Maple Valley have requested reduced service level in 2005. This proposal also includes an FTE reduction.

Traffic Engineering – City Services -- \$(47,164). The proposed budget is the net change associated with the increases and decreases among the contract cities according to their requirements.

Roads Maintenance Labor Support to WLRD – 2.5 TLTs. A 2005 proposed adjustment to the on-going support function Road Services provides to the Water and Land Resources Division involves a 2.5 TLT increase for maintenance in the Rivers program and for the capital program. The cost associated with this add is transferred to WLRD.

Roads Maintenance Support to CIP Bridge Program – (2.5) TLTs. A 2005 proposed adjustment to the on-going support function Road Services operating staff provides to the Bridge capital program involves a 2.5 TLT decrease. There is no fiscal effect to the operating budget because the costs were been transferred to the capital program in 2004.

Roads Maintenance Support to Parks Bridge Program – 96,857, (1.5)TLTs. The proposed 2005 Road Services budget, at the request of the DNR-Parks division, includes an additional 1.5 TLTs for an increased work program.

Technical Adjustments

DOT Administration Cost Allocation -- \$30,076. This adjustment is based on the 2005 DOT Director's Office costs to the DOT divisions (Transit, Road Services, Fleet and the Airport). Road Services is assigned 23% of the Director's Office allocated costs.

Labor Distribution -- \$(37,855). Adjustments associated with labor and administrative overhead cost recovery are included in this technical adjustment that also re-distributes existing labor costs among individual cost centers and projects.

Contingency for Retirement or Labor Settlement Costs -- \$69,382. The proposal reserves additional budget authority in preparation for potential PERS rate increases or additional labor settlement costs.

Central Rates -- \$(150,177). The primary causes for the net reduction in the 19 central rate adjustments include the reduction to the Flexible Benefit charges and the reduction to the Equipment Repair and Replacement charge from Fleet Administration. The reduced Equipment Repair and Replacement charge includes the cost savings made possible by the removal of 46 vehicles not required to meet workload demands.

C O U N C I L A D O P T E D B U D G E T

Transportation Concurrency Study Transfer to Auditor; \$25,000 budget authority increase

Council Budget Provisos:

PHYSICAL ENVIRONMENT PROGRAM PLAN

ER1 EXPENDITURE RESTRICTION:

The following amounts shall be spent solely on the following:

Operating Expenditures associated with CIP project 100303: \$25,000

Vashon/Bank Road safety project: \$75,000

Resurface Goat Hill road: \$25,000

[Link to Road Services Financial Plan, 11 KB .pdf](#)

Road Services - 1030

Category	2003 Actual	2004 Adopted	2004 Estimated	2005 Adopted	2006 Projected	2007 Projected
Beginning Fund Balance	(1,274,773)	1,548,606	(73,460)	805,140	1,471,930	1,558,516
Revenues						
Property Taxes	59,001,458	63,863,635	63,863,635	68,829,498	74,180,216	76,820,396
Gas Taxes	14,214,849	14,419,975	14,395,399	14,600,958	15,018,683	15,440,340
Reimbursable Fees for Service	12,696,633	12,288,197	13,531,415	12,354,200	12,854,564	13,021,309
Sale of Assets	1,280,300	761,250	1,590,623	761,250	761,250	821,250
Other Revenues	2,027,793	2,126,521	2,465,432	2,854,597	2,101,142	2,128,576
Total Revenues	89,221,033	93,459,578	95,846,504	99,400,503	104,915,855	108,231,871
Expenditures						
Roads Operating Base	(60,171,646)	(60,821,693)	(60,821,692)	(63,305,358)	(65,504,564)	(66,812,481)
(Transfer to Sheriff)	(1,080,128)	(3,134,015)	(3,391,015)	(3,134,015)	(3,134,015)	(3,134,015)
Stormwater Decant	(354,522)	(514,818)	(514,818)	(517,355)	(534,597)	(551,704)
Carryover from 2003			(1,369,537)			
Total Expenditures	(61,606,296)	(64,470,526)	(66,097,062)	(66,956,728)	(69,173,176)	(70,498,200)
Estimated Underexpenditures		644,705	660,971	669,338	691,735	704,982
Other Fund Transactions						
Roads Construction Transfer	(26,413,424)	(29,788,813)	(29,788,813)	(32,446,323)	(36,347,828)	(38,385,234)
Suppl: Galer Street Debt Service			257,000			
Total Other Fund Transactions	(26,413,424)	(29,788,813)	(29,531,813)	(32,446,323)	(36,347,828)	(38,385,234)
Ending Fund Balance	(73,460)	1,393,550	805,140	1,471,930	1,558,516	1,611,935
Designations and Reserves						
Reserve for Encumbrance	(1,369,537)					
Total Designations and Reserves	(1,369,537)	-	-	-		
Ending Undesignated Fund Balance	(1,442,997)	1,393,550	805,140	1,471,930	1,558,516	1,611,935
Target Fund Balance (1)	1,338,315	1,401,894	1,437,698	1,491,008	1,573,738	1,623,478

Financial Plan Notes:

(1) Target fund balance is 1.5% of revenues.

PHYSICAL ENVIRONMENT PROGRAM PLAN**Stormwater Decant Program 1030/0726**

Code/Item #	Description	0726	Expenditures	FTEs*	TLPs
Program Area PE		2004 Adopted	514,818	0.00	0.00
		Status Quo **	3,202	0.00	0.00
		Status Quo Budget	518,020	0.00	0.00
		0 0			

Detail below shows crosswalk from 2004 adopted to 2005 adopted.

Central Rate Adjustments				
CR12	Telecommunications Overhead	24	0.00	0.00
CR11	Telecommunications Services	(41)	0.00	0.00
CR05	Current Expense Overhead Adjustment	(648)	0.00	0.00
		(665)	0.00	0.00
		2005 Adopted Budget	517,355	0.00

* FTEs do not include temporaries and overtime.

** This includes revised 2004 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Stormwater Decant Program

Central Rate Adjustments: \$(665): The central rate adjustments include minor changes to Current Expense Overhead and Telecommunications.

C O U N C I L A D O P T E D B U D G E T

Council made no changes to the 2005 Executive Proposed Budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN**Roads Construction Transfer 1030/0734**

Code/Item #	Description	0734	Expenditures	FTEs*	TLPs
Program Area PE		2004 Adopted	29,788,813	0.00	0.00
		Status Quo **	3,890,712	0.00	0.00
		Status Quo Budget	33,679,525	0.00	0.00
		0 0			

Detail below shows crosswalk from 2004 adopted to 2005 adopted.

Technical Adjustment				
TA01	Adjustment to Budget Status Quo Amount	(1,233,202)	0.00	0.00
		(1,233,202)	0.00	0.00

* FTEs do not include temporaries and overtime.

** This includes revised 2004 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Road Construction Transfer

Program Changes

Transfer from Road Fund to Capital Funds - \$(1,233,202). Though the proposed transfer is less than the preliminary 2005 budget estimate, it is a net increase of \$2,657,510 over the 2004 adopted budget. The 2004 transfer amount was \$29,788,813 and the 2004 proposed transfer is \$32,446,323. The transfer is supplemented in the capital program with revenues such as state and federal grants deposited directly into the capital fund.

C O U N C I L A D O P T E D B U D G E T

Council made no changes to the 2005 Executive Proposed Budget.

Fleet Administration

Fleet Administration Division manages the County's vehicles in the Motor Pool Fund, the Wastewater Equipment Rental and Revolving Fund, and the Public Works Equipment Rental and Revolving Fund. The Sheriff's Office and other Current Expense agencies represent about two-thirds of the Motor Pool Fund vehicles and services. The Road Service Division is the primary user of the Public Works Equipment Rental and Revolving Fund. The Wastewater Division is the primary user of the Wastewater Equipment Rental and Revolving Fund.

In the 2005 Executive Proposed Budget, Fleet Administration has developed a budget with charges to user agencies held below the rate of inflation. The rates for the Motor Pool fund decreased from the 2004 amount despite fuel and labor cost increases in the base years used to calculate the 2005 Motor Pool rate adjustments: 2002 and 2003. In addition to this cost containment success, the Road Services and Fleet Administration Division worked together to identify 46 vehicles that can be removed from the replacement cost model because they are no longer necessary to meet the workload demands. This cost containment initiative allows for the transfer of \$780,430 to the Road Fund.

The rates charged to agencies is based primarily on three factors: vehicle use, vehicle maintenance and vehicle replacement. The 2005 rates are based on 2003 actual use. Fleet uses an industry standard model to determine the economically efficient time to replace a vehicle. This vehicle replacement model considers variables such as annual costs, resale/salvage value, and purchase price.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Motor Pool Equipment Rental and Revolving 5580/0780

Code/Item #	Description	0780	Expenditures	FTEs*	TLPs
Program Area		2004 Adopted	9,099,399	21.00	0.00
		Status Quo **	410,736	0.00	0.00
PE					
		Status Quo Budget	9,510,135	21.00	0.00
		0 0			

Detail below shows crosswalk from 2004 adopted to 2005 adopted.

Revenue Backed					
RB02	Vehicle/ Equipment Replacement Above PSQ		352,176	0.00	0.00
RB01	Operating & Maintenance Program - Vehicles/ Equipment		63,956	0.00	0.00
			416,132	0.00	0.00
Technical Adjustment					
TA11	Revenue Adjustment		0	0.00	0.00
			0	0.00	0.00
Central Rate Adjustments					
CR38	Major Maintenance Repair Fund		468	0.00	0.00
CR47	Finance Payroll Projects		(6)	0.00	0.00
CR39	COLA Adjustment		(2,307)	0.00	0.00
CR10	Office of Information Resource Management Charge		650	0.00	0.00
CR36	Property Services Lease Administration Fee		(132)	0.00	0.00
CR25	Financial Services Charge		1,920	0.00	0.00
CR22	Long Term Leases		(1,547)	0.00	0.00
CR21	Debt Service Adjustment		(2)	0.00	0.00
CR12	Telecommunications Overhead		(448)	0.00	0.00
CR11	Telecommunications Services		(5,904)	0.00	0.00
CR01	Flexible Benefits Charge		(8,064)	0.00	0.00
CR05	Current Expense Overhead Adjustment		108,596	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge		(228)	0.00	0.00
CR08	Technology Services Infrastructure Charge		355	0.00	0.00
CR46	Countywide Strategic Technology Projects		(613)	0.00	0.00
			92,738	0.00	0.00
2005 Adopted Budget			10,019,005	21.00	0.00

* FTEs do not include temporaries and overtime.

** This includes revised 2004 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Motor Pool ER&R Fund

Revenue Backed Adjustments

Vehicle Equipment Replacement Adjustment – \$352,176. The budget authority necessary to replace vehicles in 2005 will increase by \$352,176 over the previous estimate. While agency contributions to Motor Pool are relatively consistent year-to-year, the amount of budget authority necessary to purchase vehicles may vary considerably on an annual basis. This cyclical variability is based on the number of vehicles that reach the end of their life cycle in any particular year.

Fleet Operations and Maintenance – \$63,956. This proposed budget adjustment improves the budget accuracy for a series of miscellaneous non-labor accounts including an adjustment to the DOT Director's cost. This adjustment is based on the 2005 DOT Director's Office costs to the DOT divisions (Transit, Road Services, Fleet and the Airport). Fleet Administration is assigned 1% of the Director's Office allocated costs.

Central Rates

Central Rates – \$92,738. The net increase of central rate costs is due primarily to the Current Expense Overhead Adjustment. The retirement rate adjustment is the primary cause for the net reduction for the 15 central rates.

C O U N C I L A D O P T E D B U D G E T

Council made no changes to the 2005 Executive Proposed Budget.

**Link to Motor Pool Equipment Rental Revolving Financial
Plan, 13 KB .pdf**

PHYSICAL ENVIRONMENT PROGRAM PLAN

Motor Pool Equipment Rental Revolving Fund / 5580 2005 Adopted Financial Plan

	2003 Actual ¹	2004 Adopted	2004 Estimated ²	2005 Adopted	2006 Projected ³	2007 Projected ³
Beginning Fund Balance	11,400,418	5,697,425	8,427,338	7,062,824	5,367,615	4,824,488
Revenues						
* Garage Services & Supplies	328,743	65,207	65,207	90,482	93,197	95,992
* Investment Interest	293,149	110,749	110,749	202,244	162,380	135,994
* Sale of Equipment	326,705	373,254	373,254	416,203	314,634	322,758
* Other Miscellaneous Revenues	178,359	135,000	135,000	135,000	139,050	143,222
* Vehicle Rental Revenues	7,338,388	7,548,011	7,548,011	7,479,867	7,859,663	7,939,965
Total Revenues	8,465,344	8,232,221	8,232,221	8,323,796	8,568,923	8,637,930
Expenditures						
* Operating and Maintenance	(4,938,436)	(5,327,401)	(5,327,401)	(5,816,412)	(5,925,140)	(6,062,346)
* Capital Equipment Replacement	(4,668,486)	(3,732,545)	(3,732,545)	(4,162,028)	(3,146,335)	(3,227,577)
* Debt Service-Core Financial	(40,587)	(39,453)	(39,453)	(40,565)	(40,575)	(40,548)
* 2003-2004 Carryover Encumbrances			(497,336)			
Total Expenditures	(9,647,509)	(9,099,399)	(9,596,735)	(10,019,005)	(9,112,050)	(9,330,471)
Estimated Underexpenditures						
Other Fund Transactions						
* Rebate	(1,800,000)	0	0	0		
* Other Financial Transactions	9,085					
Total Other Fund Transactions	(1,790,915)	0	0	0	0	0
Ending Fund Balance	8,427,338	4,830,247	7,062,824	5,367,615	4,824,488	4,131,947
Reserves & Designations						
* Allowance of Inventory	(40,823)	(81,729)	(81,729)	(84,181)	(86,706)	(89,307)
* Contingency for Capital Improvement	(253,960)	(246,967)	(246,967)	(249,714)	(250,162)	(254,401)
* 2003-2004 Carryover Encumbrances	(497,336)					
Total Reserves & Designations	(792,119)	(328,696)	(328,696)	(333,895)	(336,868)	(343,708)
Ending Undesignated Fund Balance	7,635,219	4,501,551	6,734,128	5,033,720	4,487,620	3,788,239
Projected Fleet Replacement Cost (PFRC)	31,399,079	27,818,830	27,818,830	26,439,630	27,232,819	28,049,803
Percent of Proj. Fleet Repl. Cost	24%	16%	24%	19%	16%	14%
Target Fund Balance- 10% of PFRC	3,139,908	2,781,883	2,781,883	2,643,963	2,723,282	2,804,980
Target Fund Balance- 20% of PFRC	6,279,816	5,563,766	5,563,766	5,287,926	5,446,564	5,609,961

Financial Plan Notes:

- 1 2003 Actuals are from the 2003 CAFR.
- 2 2004 Estimated is based on annualized revenue & expenditure report.
- 3 2006 and 2007 Projected are based on the following assumptions:
 - a) Assumes 3.25% annual percentage rate on investment earnings.
 - b) Assumes sale of equipment is 10% of annual capital expenditures.
 - c) Assumes 3% annual increase in miscellaneous revenues as well as in operating and maintenance costs.
 - d) Capital expenditures are based on replacement schedule based on established replacement standards for each type of vehicle.
 - e) Allowance for inventory is equal to inventory value at the beginning of each year per CAFR. Estimated increase 3% per year.
 - f) Contingency for capital improvement is estimated at 3% of annual revenues.
- 4 Target Fund Balance, as recommended by the County Auditor, is equal to a range of 10% to 20% of the Projected Replacement Cost of the Fleet (PFRC).

PHYSICAL ENVIRONMENT PROGRAM PLAN

Equipment Rental and Revolving (ER&R) 5570/0750

Code/Item #	Description	0750	Expenditures	FTEs*	TLPs
Program Area		2004 Adopted	10,535,780	54.00	0.00
		Status Quo **	(1,536,702)	0.00	0.00
PE					
		Status Quo Budget	8,999,078	54.00	0.00
		0 0			

Detail below shows crosswalk from 2004 adopted to 2005 adopted.

Revenue Backed					
RB01	Equipment Replacement Above PSQ		991,023	0.00	0.00
RB02	Fleet Maintenance Program - Vehicles/ Equipment		116,610	0.00	0.00
RB03	Personal Property and Fixed Asset Data Management Section		56,982	1.00	0.00
			1,164,615	1.00	0.00
Technical Adjustment					
TA11	Revenue Adjustment		0	0.00	0.00
TA02	DD Crew Transfer		45,000	0.00	0.00
TA01	Roads Rebate - Technical Adjustment		780,430	0.00	0.00
			825,430	0.00	0.00
Central Rate Adjustments					
CR36	Property Services Lease Administration Fee		(473)	0.00	0.00
CR12	Telecommunications Overhead		63	0.00	0.00
CR47	Finance Payroll Projects		(128)	0.00	0.00
CR39	COLA Adjustment		(5,851)	0.00	0.00
CR38	Major Maintenance Repair Fund		468	0.00	0.00
CR25	Financial Services Charge		(1,984)	0.00	0.00
CR22	Long Term Leases		(4,716)	0.00	0.00
CR21	Debt Service Adjustment		(34)	0.00	0.00
CR01	Flexible Benefits Charge		(20,736)	0.00	0.00
CR13	Motor Pool Usage Charge		27,887	0.00	0.00
CR10	Office of Information Resource Management Charge		986	0.00	0.00
CR08	Technology Services Infrastructure Charge		(419)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge		(464)	0.00	0.00
CR05	Current Expense Overhead Adjustment		13,747	0.00	0.00
CR15	Insurance Charges		(8,085)	0.00	0.00
CR46	Countywide Strategic Technology Projects		(1,575)	0.00	0.00
			(1,314)	0.00	0.00
2005 Adopted Budget			10,987,809	55.00	0.00

* FTEs do not include temporaries and overtime.

** This includes revised 2004 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Public Works ER&R Fund

Revenue Backed Adjustments

Equipment Replacement Adjustment – \$991,023. The budget authority necessary to replace vehicles in 2004 will increase by \$991,023 from the previous estimate. While agency contributions to this fund are relatively consistent from year to year, the amount of budget authority necessary to purchase vehicles may vary considerably on an annual basis. This variability is a function of the number of vehicles that reach the end of their life cycle in any particular year.

Fleet Operations and Maintenance – \$116,610. A portion of the Fleet Administration labor costs are transferred, or loaned, among the three vehicle maintenance and replacement funds. In the 2005 budget, Fleet Administration proposes to improve the accuracy of the loaned labor cost allocation by increasing the “loan-in” share to the Wastewater Equipment Repair and Replacement.

Personal Property and Fixed Asset Data Management Adjustment - \$56,982, 1.0 FTE. The workload involving surplus property continues to grow in Fleet Administration. The proposed FTE increase will convert on-going term limited temporary position costs to an on-going body of work requiring an FTE position.

Technical Adjustments

Roads Rebate -- \$780,430. The Road Services division identified 46 vehicles that can be removed from the Fleet. The revenue collected from Road Services in past years to finance the replacement of these vehicles is available for transfer to Road Services from the Public Works Equipment Repair and Replacement Fund balance.

Developmentally Disabled (DD) Crew Transfer -- \$45,000: As proposed in the King County International Airport budget, two-thirds of one of the DD crew time and cost will be transferred to other agencies. The Surplus Property work program budget is adjusted to include a portion of this transfer cost.

Central Rates – \$(1,314)

There is a net budget reduction of \$1,314 for central rates charged to the Public Works ER&R Fund.

C O U N C I L A D O P T E D B U D G E T

Council made no changes to the 2005 Executive Proposed Budget.

Link to Public Works Equipment Rental Revolving Financial Plan, 15 KB .pdf

PHYSICAL ENVIRONMENT PROGRAM PLAN

Public Works Equipment Rental Revolving Fund 2005 Adopted Financial Plan

	2003 Actual ¹	2004 Adopted	2004 Estimated ²	2005 Adopted	2006 Projected ³	2007 Projected ³
Beginning Fund Balance	10,976,202	6,465,404	10,278,278	7,340,849	4,322,135	3,297,753
Revenues						
* Sales of Stores & Materials	578,890	480,980	480,980	478,671	493,031	507,822
* Investment Interest	297,551	105,790	105,790	188,584	119,806	92,769
* Sale of Equipment	128,194	454,862	454,862	347,958	206,197	150,458
* Other Miscellaneous Revenues	299,684	198,847	198,847	275,241	283,498	292,003
* Vehicle Rental Revenues	6,459,930	6,132,208	6,132,208	6,126,215	6,547,365	6,923,362
* Personal Property & Fixed Assets Revenues	281,180	482,553	482,553	552,427	563,475	574,745
Total Revenues	8,045,429	7,855,240	7,855,240	7,969,095	8,213,373	8,541,158
Expenditures						
* Operating and Maintenance	(4,696,374)	(6,272,912)	(6,272,912)	(6,711,723)	(6,904,931)	(7,043,030)
* Capital Equipment Replacement	(3,382,717)	(3,790,518)	(3,790,518)	(2,899,646)	(1,718,309)	(1,253,813)
* Debt Service - Core Financial	(58,547)	(50,908)	(50,908)	(50,908)	(58,511)	(58,529)
* Personal Property & Fixed Assets	(581,867)	(421,442)	(421,442)	(545,102)	(556,004)	(567,124)
* Rebate to Road Services				(780,430)		
* 2003-2004 Carryover Encumbrances			(206,889)			
Total Expenditures	(8,719,505)	(10,535,780)	(10,742,669)	(10,987,809)	(9,237,755)	(8,922,496)
Estimated Underexpenditures						
Other Fund Transactions						
* Other Financial Transactions(per Loren Burt)	(23,848)					
* Duncan / Roberts Settlement			(50,000)			
Total Other Fund Transactions	(23,848)	0	(50,000)	0	0	0
Ending Fund Balance	10,278,278	3,784,864	7,340,849	4,322,135	3,297,753	2,916,415
Reserves & Designations						
* Allowance for Inventory	(1,137,976)	(1,362,062)	(1,362,062)	(1,402,924)	(1,445,012)	(1,488,362)
* Contingency for Capital Improvement	(241,363)	(235,657)	(235,657)	(239,073)	(242,454)	(252,439)
* 2003-2004 Carryover Encumbrances	(206,889)					
*						
Total Reserves & Designations	(1,586,228)	(1,597,719)	(1,597,719)	(1,641,997)	(1,687,466)	(1,740,801)
Ending Undesignated Fund Balance	8,692,050	2,187,145	5,743,130	2,680,139	1,610,287	1,175,613
Projected Fleet Replacement Cost (PFRC)	31,735,888	31,048,207	31,048,207	29,467,168	30,056,511	30,657,642
Percent of Proj. Fleet Repl. Cost	27%	7%	18%	9%	5%	4%
Target Fund Balance - 10% of PFRC ⁴	3,173,589	3,104,821	3,104,821	2,946,717	3,005,651	3,065,764
Target Fund Balance - 20% of PFRC	6,347,178	6,209,641	6,209,641	5,893,434	6,011,302	6,131,528

Financial Plan Notes:

¹ 2003 Actuals are from the 2003 CAFR.

² 2004 Estimated is based on annualized revenue & expenditure report.

³ 2006 and 2007 Projected are based on the following assumptions:

- a) Assumes 3.25% annual percentage rate on investment earnings.
- b) Assumes sale of equipment is 12% of annual capital expenditures.
- c) Assumes 3% annual increase in miscellaneous revenues as well as in operating and maintenance costs.
- d) Capital expenditures are based on replacement schedule based on established replacement standards for each type of vehicle.
- e) Allowance for inventory is equal to inventory value at the beginning of each year per CAFR. Estimated to increase 3% per year.
- f) Contingency for capital improvement is estimated at 3% of annual revenues.

⁴ Target Fund Balance, as recommended by the County Auditor, is equal to a range of 10% to 20% of the Projected Replacement Cost of the Fleet (PFRC).

PHYSICAL ENVIRONMENT PROGRAM PLAN

Wastewater Equipment Rental & Revolving 5441/0137

Code/Item #	Description	0137	Expenditures	FTEs*	TLPs
Program Area		2004 Adopted	2,322,418	0.00	0.00
		Status Quo **	52,768	0.00	0.00
PE					
		Status Quo Budget	2,375,186	0.00	0.00
		0 0			

Detail below shows crosswalk from 2004 adopted to 2005 adopted.

Revenue Backed				
RB01	Vehicle/ Equipment Replacement Above PSQ	171,685	0.00	0.00
RB02	Operating & Maintenance Program - Vehicles/ Equipment	46,703	0.00	0.00
		218,388	0.00	0.00
Technical Adjustment				
TA11	Revenue Adjustment	0	0.00	0.00
		0	0.00	0.00
Central Rate Adjustments				
CR10	Office of Information Resource Management Charge	579	0.00	0.00
CR12	Telecommunications Overhead	(342)	0.00	0.00
CR15	Insurance Charges	(4,808)	0.00	0.00
CR22	Long Term Leases	(515)	0.00	0.00
CR25	Financial Services Charge	(113)	0.00	0.00
CR36	Property Services Lease Administration Fee	(44)	0.00	0.00
CR47	Finance Payroll Projects	11	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(579)	0.00	0.00
CR05	Current Expense Overhead Adjustment	(22,302)	0.00	0.00
		(28,113)	0.00	0.00
2005 Adopted Budget		2,565,461	0.00	0.00

* FTEs do not include temporaries and overtime.

** This includes revised 2004 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Wastewater ER&R Fund

Revenue Backed Adjustments

Vehicle Equipment Replacement—\$171,685. The budget authority necessary to replace vehicles in 2005 will increase by \$171,685. While agency contributions to Wastewater ER&R are relatively consistent from year to year the amount of budget authority necessary to purchase vehicles may vary considerably on an annual basis. This variability is a function of the number of vehicles that reach the end of their life cycle in any particular year.

Operating & Maintenance Program— \$46,703. A portion of the Fleet Administration labor costs are transferred, or loaned, among the three vehicle maintenance and replacement funds. In the 2005 budget Fleet Administration proposes to improve the accuracy of the loaned labor cost allocation by increasing the “loan-in” share to the Wastewater Equipment Repair and Replacement Fund.

Central Rates Adjustment

Allocation of Central Rates – (\$28,113). The nine central rate changes to the Wastewater Equipment Repair and Replacement Fund result in a net \$28,113 budget reduction.

C O U N C I L A D O P T E D B U D G E T

Council made no changes to the 2005 Executive Proposed Budget.

[Link to Wastewater Equipment Rental Revolving Financial Plan, 12 KB .pdf](#)

PHYSICAL ENVIRONMENT PROGRAM PLAN

Wastewater Equipment Rental Revolving Fund / 5441

	2003 Actual ¹	2004 Adopted	2004 Estimated ²	2005 Adopted	2006 Projected ³	2007 Projected ³
Beginning Fund Balance	3,789,369	3,783,517	4,507,137	3,962,258	3,439,011	3,043,463
Revenues						
* Investment Interest	106,848	72,643	72,643	89,781	74,005	63,881
* Sale of Equipment	44,499	155,823	155,823	175,889	160,662	136,732
* Other Miscellaneous Revenues	14,718	15,000	15,000	15,000	15,450	15,914
* Vehicle Rental Revenues	1,625,825	1,596,894	1,596,894	1,761,543	1,820,681	1,838,397
Total Revenues	1,791,890	1,840,360	1,840,360	2,042,213	2,070,798	2,054,924
Expenditures						
* Operating and Maintenance	(567,522)	(764,193)	(764,193)	(806,569)	(859,722)	(885,514)
* Capital Equipment Replacement	(505,927)	(1,558,225)	(1,558,225)	(1,758,892)	(1,606,623)	(1,367,323)
* 2003 - 2004 Carryover Encumbrances			(62,821)			
Total Expenditures	(1,073,449)	(2,322,418)	(2,385,239)	(2,565,461)	(2,466,345)	(2,252,837)
Estimated Underexpenditures						
Other Fund Transactions						
* Transfer of capital funds						
* Other Fund Transactions (per Loren Burt)	(672)					
Total Other Fund Transactions	(672)	0	0	0	0	0
Ending Fund Balance	4,507,137	3,301,459	3,962,258	3,439,011	3,043,463	2,845,550
Reserves & Designations						
* Allowance for Inventory	(1,518)	(1,610)	(1,564)	(1,610)	(1,659)	(1,709)
* Contingency for Capital Improvement	(52,496)	(55,211)	(57,314)	(61,266)	(61,407)	(61,477)
* 2003-2004 Carryover Encumbrances	(62,821)					
Total Reserves & Designations	(115,317)	(55,211)	(57,314)	(61,266)	(63,065)	(63,186)
Ending Undesignated Fund Balance	4,391,820	3,246,248	3,904,944	3,377,744	2,980,398	2,782,365
Projected Fleet Replacement Cost (PFRC)	15,864,973	13,998,101	13,998,101	14,625,377	15,064,138	15,516,062
Percent of Proj. Fleet Repl. Cost	28%	23%	28%	23%	20%	18%
Target Fund Balance - 10% of PFRC ⁴	1,586,497	1,399,810	1,399,810	1,462,538	1,506,414	1,551,606
Target Fund Balance - 20% of PFRC	3,172,995	2,799,620	2,799,620	2,925,075	3,012,828	3,103,212

Financial Plan Notes:

1 2003 Actuals are from the 2003 CAFR.

2 2004 Estimated is based on annualized revenue and expenditure report.

3 2006 and 2007 Projected are based on the following assumptions:

- Assumes 3.25% annual percentage rate on investment earnings.
- Assumes sale of equipment is 10% of annual capital expenditures.
- Assumes 3% annual increase in miscellaneous revenues as well as in operating and maintenance costs.
- Capital expenditures are based on replacement schedule based on established replacement standards for each type of vehicle.
- Contingency for capital improvement is estimated at 3% of annual revenues.

4 Target Fund Balance, as recommended by the County Auditor, is equal to a range of 10% to 20% of the Projected Replacement Cost of the Fleet (PFRC).

PHYSICAL ENVIRONMENT PROGRAM PLAN

Airport 4290/0710

Code/Item #	Description	0710	Expenditures	FTEs*	TLPs
Program Area		2004 Adopted	11,287,595	52.50	2.00
		Status Quo **	173,969	0.00	0.00
PE					
		Status Quo Budget	11,461,564	52.50	2.00
		0 0			

Detail below shows crosswalk from 2004 adopted to 2005 adopted.

Administrative Service Reductions					
AS02	Term Limited Reduction		(155,329)	0.00	(2.00)
AS01	Administrative Reduction		(211,958)	(2.00)	0.00
			(367,287)	(2.00)	(2.00)
Direct Service Reductions					
DS02	Engineer Reduction		(76,700)	(1.00)	0.00
DS01	Elect Helper & Utility WK II		(90,265)	(1.50)	0.00
DS04	DOT DD Crew Reallocation		(90,000)	0.00	0.00
			(256,965)	(2.50)	0.00
Technical Adjustment					
TA01	Miscellaneous Technical Adjustments		47,039	0.00	0.00
TA02	KCSO Inflation Adjustment		97,068	0.00	0.00
TA03	Directors Office Allocation		1,316	0.00	0.00
TA11	Revenue Adjustment		0	0.00	0.00
			145,423	0.00	0.00
Central Rate Adjustments					
CR08	Technology Services Infrastructure Charge		(120)	0.00	0.00
CR36	Property Services Lease Administration Fee		(60,000)	0.00	0.00
CR01	Flexible Benefits Charge		(21,120)	0.00	0.00
CR39	COLA Adjustment		(16,329)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge		7,665	0.00	0.00
CR09	Geographic Information Systems Charge		(65,000)	0.00	0.00
CR10	Office of Information Resource Management Charge		1,609	0.00	0.00
CR11	Telecommunications Services		3,375	0.00	0.00
CR25	Financial Services Charge		31,504	0.00	0.00
CR15	Insurance Charges		(86,761)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge		56,543	0.00	0.00
CR46	Countywide Strategic Technology Projects		8,007	0.00	0.00
CR05	Current Expense Overhead Adjustment		16,715	0.00	0.00
CR47	Finance Payroll Projects		24	0.00	0.00
CR12	Telecommunications Overhead		1,180	0.00	0.00
			(122,708)	0.00	0.00
		2005 Adopted Budget	10,860,027	48.00	0.00

* FTEs do not include temporaries and overtime.

** This includes revised 2004 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN**Airport Construction Transfer 4290/0716**

Code/Item #	Description	0716	Expenditures	FTEs*	TLPs
Program Area PE		2004 Adopted	0	0.00	0.00
		Status Quo **	0	0.00	0.00
		Status Quo Budget	0	0.00	0.00
		0 0			

Detail below shows crosswalk from 2004 adopted to 2005 adopted.

Technical Adjustment				
TA01	Transfer to CIP	1,520,260	0.00	0.00
		1,520,260	0.00	0.00
			</	

* FTEs do not include temporaries and overtime.

** This includes revised 2004 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Airport

The King County International Airport continues to contend with weak revenue growth. And while the on-going revenue collections have remained relatively flat since 1999 the costs have continued to increase. In the 2005 Proposed Budget the KCIA management has identified cost cutting measures made possible by a reallocation of existing workload. In addition, to balance the fund, the Airport is proposing fee increases consistent with rates and charges at other comparable airports in the area.

Program Changes

Administrative Reduction - \$(211,958), (2.0) FTEs: The proposal to reduce an administrative position and an Airport Property Manager position is part of a package of efficiencies intended to reduce KCIA costs. The existing workload will be absorbed by existing staff. In particular, the Facilities Management Division provide the property manager and lease service necessary to meet KCIA needs.

Term Limited Reduction -- \$(155,329), (2.0) TLTs: The proposed reduction of the two TLT positions is made possible by the completion of a records retention project and the Airport Master Plan project.

Electrician Helper and Utility Worker II Reduction – \$(90,265), (1.5) FTE's: These two positions which are currently vacant can be absorbed by existing maintenance staff.

Engineer Reduction -- \$(76,700), (1.0) FTE: Based on a review of capital project workload it appears that two rather than three engineers are sufficient.

Developmentally Disabled Work Crew Transfer: \$(90,000): A developmentally disabled work crew at the Airport supervised by the Facilities Management Division at a cost of \$135,000 will be partially reassigned to other Department of Transportation divisions. Though the work crew will continue to spend one-third of their time at the Airport the remaining two-thirds will perform clean-up and other activities for Transit and Fleet.

Technical Adjustments

Miscellaneous Technical Adjustments -- \$47,039: This proposed budget adjustment improves the budget accuracy for a series of miscellaneous non-labor accounts.

ARFF Inflation Adjustment -- \$97,068: The cost of the Airport Rescue and Fire Fighting service provided by the King County Sheriff's Office is proposed to increase by 3% in 2005 due primarily to labor cost increases.

Director's Office Allocation -- \$1,316: This adjustment is based on the 2005 DOT Director's Office costs to the DOT divisions (Transit, Road Services, Fleet and the Airport). The Airport is assigned 6% of the Director's Office allocated costs.

Central Rates - \$(122,708): The 20 central rates applicable to the Airport include reductions and increases that net to a net reduction of \$105,659. The reduction is primarily due to an \$86,761 reduction to the projected Insurance charges based on recent insurance claim payment activity for the Airport.

Revenues

There has been little growth in the revenue base for the KCIA for several years. In addition to expenditure reductions to balance the financial plan, the KCIA is proposing to raise fees consistent with rates charged at other area airports. The fee increase for landing fees, last raised in 1977, will generate \$280,000. The fee increase for fuel flowage, last raised in 1982, will generate \$312,000. The aircraft parking fee increase will yield \$30,000.

PHYSICAL ENVIRONMENT PROGRAM PLAN

COUNCIL ADOPTED BUDGET

Council made no changes to the 2005 Executive Proposed Budget.

**Link to King County International Airport Financial Plan,
14 KB .pdf**

King County International Airport 2005 Adopted Financial Plan

	¹ 2003 Actual	2004 Adopted	2004 Estimated	2005 Adopted	2006 Projected	2007 Projected
Beginning Fund Balance	3,746,374	2,226,606	2,516,831	2,376,164	1,098,325	1,160,436
Revenues						
Operating ²	9,429,449	10,530,689	10,938,512	10,807,225	11,293,334	11,945,091
Interest	205,634	98,952	104,854	133,000	50,000	45,000
Miscellaneous			30,000	30,000	30,000	30,000
Rev transfer to Hush House			(229,724)	(139,278)	(146,242)	(153,554)
Total Revenues	9,635,083	10,629,641	10,843,642	10,830,947	11,227,092	11,866,537
Expenditures						
Operating ³	(7,905,671)	(8,847,560)	(8,847,560)	(8,345,594)	(8,587,616)	(8,836,657)
ARFF	(2,358,954)	(2,440,035)	(2,440,035)	(2,514,433)	(2,587,352)	(2,662,385)
Encumbrance			(11,613)			
Flex Benefit underexpenditure			32,709			
Total Expenditures	(10,264,626)	(11,287,595)	(11,266,499)	(10,860,027)	(11,174,968)	(11,499,042)
Estimated Underexpenditures		282,190	282,190	271,501	279,374	287,476
Other Fund Transactions						
Operating Transfer to CIP	(600,000)			(1,520,260)	(269,387)	(560,782)
Total Other Fund Transactions	(600,000)	0	0	(1,520,260)	(269,387)	(560,782)
Ending Fund Balance	2,516,831	1,850,842	2,376,164	1,098,325	1,160,436	1,254,625
Less: Reserves & Designations						
Museum of Flight Loan	(767,581)	(866,978)	0	0	0	
Class Comp reserve		(110,000)	(110,000)			
Encumbrance	(11,613)					
Total Reserves & Designations	(779,194)	(976,978)	(110,000)	0	0	0
Ending Undesignated Fund Bal	1,737,637	873,864	2,266,164	1,098,325	1,160,436	1,254,625
Target Fund Balance ⁴	963,508	1,062,964	1,084,364	1,083,095	1,122,709	1,186,654
Over/under target:	774,129	(189,101)	1,181,800	15,230	37,727	67,972

¹ 2003 Actuals are based on ARMS report.

² Revenue increase is based on property appraisal. The next cycle will be 2006 and 2009 except Boeing 75 year lease is 2007.

Revenues increases reflect conservative estimate.

³ Overall expenditure increases is 3%

⁴ Target fund balance is 10% of revenues

Physical Environment Fund Transfers 0010/0697

Code/Item #	Description	0697	Expenditures	FTEs*	TLPs
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Detail below shows crosswalk from 2004 adopted to 2005 adopted.

2005 Adopted Budget	5,775,121	0.00	0.00
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*** This includes revised 2004 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.*

PHYSICAL ENVIRONMENT PROGRAM PLAN

Physical Environment General Fund Transfers

The 2005 Executive Proposed budget includes General Fund Transfers to the Parks and DDES fund.

Parks Transfer Reduction

Parks Unincorporated Growth Area (UGA) Efficiencies - (\$62,559). This reduction to the CX funding required is a result of reductions in operating costs in the UGA. There is no impact to services related to this reduction.

Parks Unincorporated Growth Areas (UGA) New Revenues – (\$67,653). This reduction to the CX funding required reflects the impact of additional business revenues expected in 2005 from UGA pools and recreation facilities.

Parks Tahoma Pool Transfer - (\$260,499). This proposal reflects the anticipated savings resulting from the transfer of the Tahoma Pool to the City of Covington, as well as the loss of revenues associated with the transfer.

DDES Transfer Reduction

DDES Elimination of Council One Time Add – (\$100,000). This proposal eliminates one time council funding for Fire Marshall Education Programs included in the 2004 Adopted Budget.

DDES Realignment of CX Services Overhead – (\$313,735). The proposal reduces CX support as a result of an overhead realignment to CX supported fire services. There are no reductions in service levels as a result of this decrease in funding.

DDES Transfer Additions

DDES Realignment of WLR Services Overhead – \$43,079. This proposal funds increases in drainage enforcement overhead charges.

Technical Adjustments

Parks South Maintenance District – (\$46,300). This proposal merges two maintenance districts into one in anticipation of future transfers of facilities in the UGA area, as cities annex unincorporated areas. This is consistent with the business plan and will not impact services.

C O U N C I L A D O P T E D B U D G E T

Transfer to Water and Land Resources Division:

Council provided funding for \$42,094 to provide .5 TLT staffing support implementation of the Critical Areas Ordinance by working on the Public Benefit Rating System and Current Use Taxation in the Rural Areas.

Council provided \$78,623 to fund one FTE of staff support for a Farm Marketing position.

Council provided \$77,579 to fund one FTE of staff support for a Forest Planning position.

Council provided \$20,000 to allow for the waiver of PBRs fee's related to the Critical Areas Ordinance.

Transfer to Development and Environmental Services Fund:

Council provided \$30,000 to fund customer service interviews per Ordinance 2004-0509.

Council provided \$100,000 to fund sub-area plans.

Council provided \$168,000 to create additional support for the implementation of the Critical Areas

PHYSICAL ENVIRONMENT PROGRAM PLAN

Ordinance. The positions are to provide customer service to citizens impacted by the CAO ordinance.

Council provided \$50,000 for additional support for the Fire Marshall's Office.

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PHYSICAL ENVIRONMENT PROGRAM PLAN

Physical Environment Program Area

	2003 Adopted		2004 Adopted		2005 Adopted	
	Expenditures	FTEs	Expenditures	FTEs	Expenditures	FTEs
Development and Environmental Services						
DEVELOPMENT & ENVIRONMENT SVCS	29,855,535	249.50	30,940,462	241.50	29,846,796	235.50
	29,855,535	249.50	30,940,462	241.50	29,846,796	235.50
Natural Resources						
PARKS & RECREATION/CJ	434,547	3.00	0	0	0	0
PARKS & RECREATION	16,381,008	153.93	0	0	0	0
PARKS & RECREATION 2004 LEVY	0	0	19,356,220	159.93	20,534,400	155.01
WASTEWATER TREATMENT DIVISION	84,440,046	579.70	84,640,000	596.60	86,860,000	598.70
SW POST CLOSURE LF MAINT	3,366,549	0	6,416,590	0	3,148,029	1.00
RIVER IMPROVEMENT	3,597,791	11.50	4,454,083	11.50	4,199,573	12.50
SURFACE WATER MGT FUND	37,975,779	337.39	39,467,670	338.10	39,827,171	329.26
RURAL DRAINAGE	4,680,378	0	4,477,848	0	4,331,854	0
NOXIOUS WEED FUND	1,081,743	6.00	1,097,324	6.00	1,172,602	6.00
YOUTH SPORTS FAC GRANT FUND	652,040	1.00	654,451	1.00	934,490	1.00
INTERCOUNTY RIVER IMPROVEMENT	50,096	0	48,849	0	124,925	0
SOLID WASTE OPERATING	87,646,230	477.38	90,882,077	405.43	89,455,062	433.80
DNRP GIS INTERNAL SVC FUND	3,325,335	31.00	3,398,884	31.00	3,531,863	31.00
WQ FUND CAPITAL TRANSFERS	34,821,000	0	0	0	0	0
	278,452,542	1,600.90	254,893,996	1,549.56	254,119,969	1,568.27
Transportation						
STORMWATER DECANT PRGM	524,449	0	514,818	0	517,355	0
ROADS	60,779,590	605.70	63,955,707	596.70	66,439,373	584.70
PUBLIC TRANSPORTATION	334,495,008	3,725.26	346,469,837	3,705.69	366,183,944	3,740.43
AIRPORT	10,404,357	52.50	11,287,595	52.50	10,860,027	48.00
TRANSIT REVENUE FLEET REPL	9,950,151	0	13,270,763	0	9,321,375	0
WTR POLUTN CNTRL EQPT	1,838,528	0	2,322,418	0	2,565,461	0
PUBLIC WORKS EQUIP RENTAL	11,638,902	53.00	10,535,780	54.00	10,987,809	55.00
MOTOR POOL EQUIP RENTAL	11,787,046	21.00	9,099,399	21.00	10,019,005	21.00
	441,418,031	4,457.46	457,456,317	4,429.89	476,894,349	4,449.13
Total Physical Environment						
	749,726,108	6,307.86	743,290,775	6,220.95	760,861,114	6,252.90